Equilibrium

Quarterly Report

Q4 2024

This report is intended for the investment committee members only.

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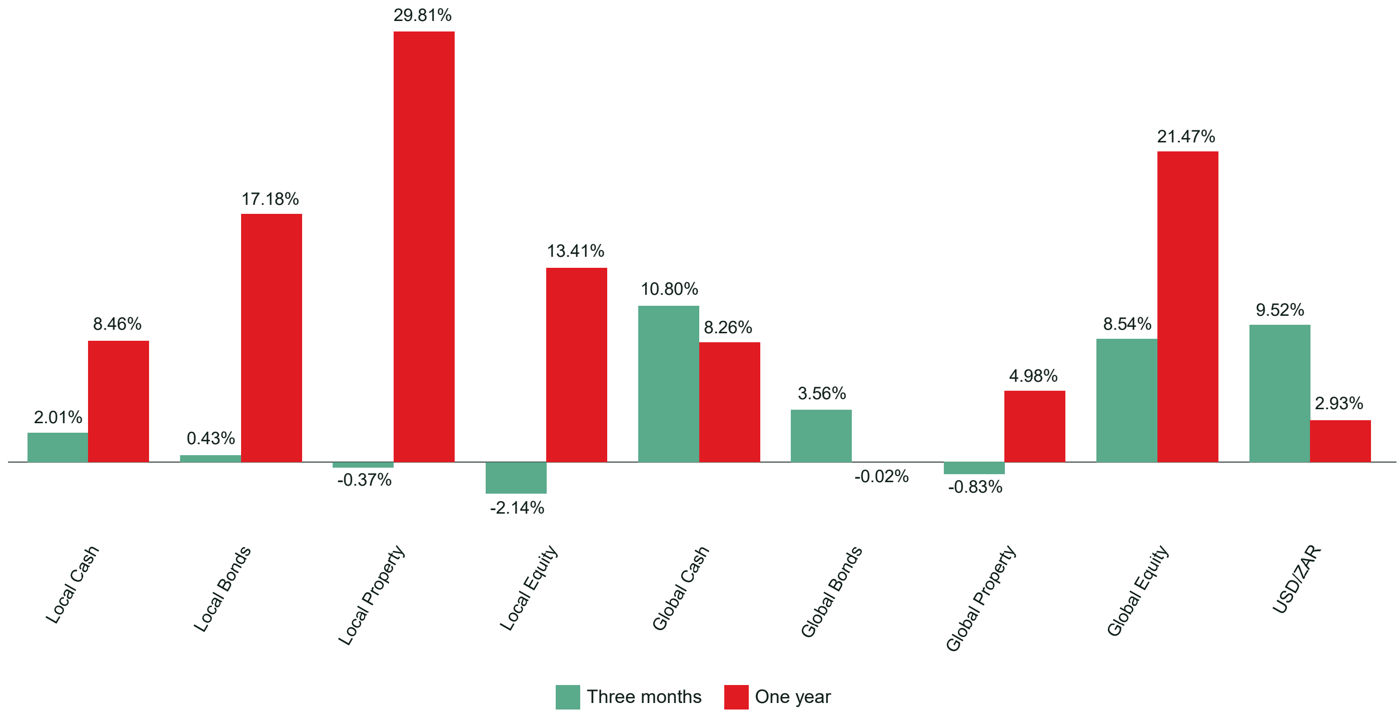
1. Performance overview

1.1 Quarterly market summary

Asset Class Returns



Overall, 2024 was another impressive year for risk assets. Continued US strength helped developed market equities, as measured by the MSCI All Countries World Index (ACWI), deliver a return of 17.5% in US dollars (USD) terms for the year. As we've come to see in recent years where markets seem to be more and more sentiment driven over the short term, the negative change in outlook dampened the positivity seen in November, when Donald Trump's victory drove global equity prices higher. The November rally, led by US equities, reflected investors' views that some of the potential new Trump administration policies, such as corporate tax cuts and lighter regulation, could boost US growth.

This was followed by a sharp decline in December as the US Federal Reserve (Fed) turned more hawkish amid the persistent threat of higher inflation feeding into a more cautious outlook on interest rates for 2025. The Fed has scaled their projections for rate cuts for the year down to two, from four previously anticipated. This was motivated by concerns around inflation, supported by the potential impact of the implementation of stricter tariffs. However, US equities still managed to end a turbulent quarter in the green, despite the sharp decline in December, with the S&P 500 up 2.3% in USD terms for the quarter. For emerging markets, a late rally in Chinese equities, coupled with strong results out of India, helped offset some of the losses in those markets. However, the impact of increased volatility was still felt as emerging market equities, as measured by the MSCI Emerging Markets Index, were down over 8% for the quarter.

The Fed's lack of urgency to cut rates, together with signs of sticky inflation, meant that US bond yields rose across the treasury curve during the quarter. Global bond markets followed suit with the FTSE World Government Bond Index (WGBI) ending the quarter down over 5%, for a negative return of -2.9% in USD terms for the year. Being an interest rate sensitive asset class, global property (FTSE EPRA Nareit) also ended the quarter down over 10% in USD terms. The USD continued its recent strong run, helped by the Fed's hawkish stance, and strengthened by more than 9% against the rand during the quarter.

From a local perspective, equities came under pressure in the 4th quarter, with the FTSE/JSE Capped SWIX All Share Index ending the quarter down 2.1%. It was still a great year overall for the asset class, delivering 13.4% over the past twelve months. Global headwinds were among the main drivers behind the risk-off sentiment in the fourth quarter, as the uncertainty over monetary policy and inflation concerns, particularly in the US, weighed negatively on investor confidence. From a sector perspective, resources had a tough quarter, down 9% with financials also down by 1.1% while industrials managed to eke out a positive return of 0.2%.

While still being the best performing asset class for 2024, local listed property didn’t manage to escape the negative turn of events either, with the FTSE/JSE All Property Index (ALPI) down 0.4% for the quarter, though still up 29.8% for the year. In line with global bond markets, SA bond yields (FTSE/JSE All Bond Index) rose in December, resulting in negative returns for the month. This was a rare occurrence, as it was only the 4th time in over two decades that the asset class had a negative monthly return. However, healthy returns of just over 3% during November offset losses and ended the quarter in positive territory, up 0.4%.

The South African Reserve Bank (SARB) continued its rate-cutting cycle over the quarter after lowering the repo rate by 0.25% to 7.75%. In a decreasing interest rate environment, local cash still delivered healthy real returns, with the STeFI Composite Index (STeFI) up 2% for the quarter and 8.5% for the year.

Sources: Morningstar and Momentum Investments

1.2 Manager returns and comments

Trailing returns as at 31 December 2024

	3m	6m	1y	3y	5y	7y	Commentary
Local Cash							
Curate Momentum Enhanced Yield Fund (D)	2.35%	4.97%	10.10%	8.57%	7.43%		The fund's added positions from the 1-year fixed rate notes (NCD's), T-bills and floating rate credit assets were used to term out the fund. The fund's interest rate risk remains underweight to the benchmark. 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.
Fairtree BCI Income Plus Fund (H)	2.74%	6.18%	11.80%	10.39%			The fund benefitted from its iTraxx exposure, as European credit outperformed equities. The fund's spread is currently at 2.35%, with JIBAR currently at 7.75%. The yield on the fund is around 10.15% pre-fees, which should deliver around 2.3% after fees in the upcoming quarter.
Prescient Income Provider Fund (A2)	2.27%	6.18%	11.08%	9.02%	7.88%	8.07%	Key contributors to returns were the higher yielding floating assets as well as the money market exposure. The key detractor was the duration position in the fund with yields moving higher over the period.
STeFI Composite Index	**2.01%**	**4.12%**	**8.46%**	**7.23%**	**6.17%**	**6.48%**	
(ASISA) South African IB Short Term	**2.16%**	**4.93%**	**9.55%**	**8.13%**	**7.06%**	**7.43%**	
(ASISA) South African MA Income	*1.52%*	*5.78%*	*10.15%*	*8.33%*	*7.53%*	*7.62%*	
Local Bonds							
Momentum SA Flexible Fixed Interest Fund (D)	0.35%	11.64%	18.10%	9.78%	8.64%		The overweight position to the seven to 12-year sector and the 12+ years sector detracted the relative return for the quarter.
Visio BCI Unconstrained Fixed Interest Fund (C)	1.78%	8.19%	13.59%	10.18%	9.89%	9.41%	The fund underperformed its STeFI x 1.25 benchmark but outperformed the ALBI for the quarter. The underperformance for the quarter vs the benchmark was mainly attributable to the slight overweight duration of the fund vs it's long-term average. Inflation linked bonds performed well and the aggregate yield on the fund remains above that of the benchmark.
FTSE/JSE All Bond Index (ALBI20)	**0.43%**	**11.02%**	**17.18%**	**10.25%**	**9.56%**	**9.40%**	
Local Property							
Sesfikile BCI Property Fund (B2)	-0.48%	19.08%	30.24%	12.22%	6.72%	1.98%	MAS plc was the best-performing stock for a second month in a row, presumably still off the back of high expectations that an agreement would be made with Prime Kapital to acquire Development Joint Venture and resume paying a distribution.
FTSE/JSE All Property Index (J803T)	**-0.37%**	**18.69%**	**29.81%**	**12.13%**	**4.73%**	**-0.86%**	
FTSE/JSE SA Listed Property Index (J253T)	**-0.83%**	**17.71%**	**28.96%**	**12.60%**	**5.07%**	**-0.35%**	
(ASISA) South African RE General	*-0.49%*	*16.93%*	*26.50%*	*10.22%*	*4.44%*	*-0.44%*	
Local Equity							
Aylett Equity Prescient Fund (A1)	1.50%	9.58%	11.64%	8.77%	13.53%	10.59%	We Buy Cars, Super Group, Victoria's Secret, Bath and Body Works and St James's Place positively contributed to performance.
BlueAlpha BCI Equity Fund (B)	2.10%	8.86%	17.15%	5.97%			Solid contributors over the period were Tiger Brands, OUTsurance and Mr Price. Glencore, Bidvest and Standard Bank detracted from performance.

	3m	6m	1y	3y	5y	7y	Commentary
Fairtree Equity Prescient Fund (A2)	-3.57%	6.13%	15.97%	11.53%	15.23%	12.87%	The Consumer Discretionary sector was the key performance contributor over the period. Contributors were Pepkor, Mr Price, Absa, Super Group and British American Tobacco, while positions in Sasol, Glencore, FirstRand, Gold Fields and Standard Bank detracted.
Foord Equity Fund (B2)	-0.61%	13.39%	22.80%	14.09%	13.15%	8.05%	Positions in mid-cap SA Inc. companies, an underweight position in resources, a sizeable position in local construction company WBHO and a meaningful allocation to cash all contributed to returns. An allocation to global beverage company Anheuser-Busch InBev detracted from returns.
Momentum Core Equity Fund (C)	-1.91%	8.24%	13.00%	7.87%	10.17%	7.17%	The fund marginally outperformed the Capped SWIX Index over the quarter, with long-term performance still reflecting an outperformance over both peer and benchmark group. Financials and resources detracted from performance while industrials contributed.
FTSE/JSE Capped SWIX All Share Index (J433T)	**-2.14%**	**7.27%**	**13.41%**	**8.50%**	**10.30%**	**6.48%**	
FTSE/JSE SWIX All Share Index (J403T)	**-2.13%**	**7.27%**	**13.53%**	**8.25%**	**9.52%**	**6.18%**	
(ASISA) South African EQ General	*-1.06%*	*7.60%*	*13.50%*	*7.88%*	*10.15%*	*6.88%*	
Global Cash							
Coronation Glbl Strategic USD Income (ZAR) FF (P)	10.04%	6.36%	8.29%	9.47%	9.06%	9.09%	Over the quarter, the bulk of transactions in the fund related to the recycling of existing exposures that had drifted into modestly expensive territory and were replaced by new issues perceived to be relatively cheaply priced. The fund's aggregate interest rate exposure ended up largely unchanged from end-Q3 to end-Q4, although the composition was adjusted.
ICE BofA US 3-Month Treasury Bill Index*	**10.80%**	**5.93%**	**8.26%**	**9.77%**	**8.74%**	**8.57%**	
(ASISA) Global IB Short Term	*7.58%*	*5.83%*	*4.78%*	*6.78%*	*6.54%*	*6.42%*	
Global Bonds							
1nvest Global Government Bond Index FF (B1)	2.73%	4.17%	-1.12%	-1.19%	2.08%		
FTSE World Government Bond Index (WGBI)	**3.56%**	**4.53%**	**-0.02%**	**-0.47%**	**2.88%**	**4.67%**	
FTSE Group-of-Seven (G7) Government Bond Index	**3.34%**	**4.44%**	**-0.63%**	**-0.77%**	**2.71%**	**4.61%**	
Global Equity							
Coronation Glbl Em Mkts Flexible (ZAR) Fund (P)	-0.39%	1.95%	6.96%	-0.88%	2.93%	4.11%	The biggest positive contributor was Southeast Asian Grab Holdings, up 35%, and SEA Limited. Other material contributors were Airbus, BIM in Turkey and not owning Alibaba (down 20%). Bank Mandiri was the main detractor, down 15%, and other detractors were Melco Resorts & Entertainment and JD.com.
Curate Momentum Global Sustainable Equity FF (E)	11.27%	8.30%	22.34%				For the period, the exposure to the momentum factor was the primary contributor to relative performance, while the analyst revisions, quality, short-term signals, and value factors also added to relative returns. On the other hand, sustainability had a neutral impact on relative performance.
Satrix MSCI World Index Fund (B2)	9.24%	9.61%	21.96%	12.11%	17.52%	16.49%	
MSCI ACWI Gross Total Return	**8.54%**	**9.31%**	**21.47%**	**11.97%**	**17.37%**	**16.64%**	
MSCI World Index Gross Total Return	**9.44%**	**9.95%**	**22.68%**	**12.93%**	**18.56%**	**17.76%**	
MSCI Emerging Markets Index	**0.94%**	**3.71%**	**11.22%**	**4.13%**	**8.37%**	**8.18%**	
(ASISA) Global EQ General	*7.16%*	*7.33%*	*15.95%*	*8.29%*	*13.45%*	*12.73%*	

	3m	6m	1y	3y	5y	7y	Commentary
Flexible Property Composite							
Catalyst SCI Flexible Property Fund (C)	-0.50%	15.43%	18.60%	7.20%	5.47%		Contributors to performance were the overweight positions in Hyprop, Brixmor and Stor-Age, which outperformed relative to the benchmark, and the underweight position in Sirius and Growthpoint, which underperformed the benchmark.
Flexible Property Composite	**-0.54%**	**14.75%**	**19.61%**	**8.09%**	**5.41%**	**2.45%**	

**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

- The fourth quarter of 2024 was marked by significant global events, with the US election being the primary focus. Equity markets rallied following Donald Trump's victory, driven by expectations that the incoming administration's pro-growth policies, such as potential corporate tax cuts and deregulation, would boost the US economy. However, these policies also contributed to concerns about more persistent inflation with the Fed indicating a more muted rate cutting cycle than markets expected. The US Treasury yields increased the curve in Q4 2024 and the US Dollar reached a 2-year high. Local markets were led by global sentiment over the quarter with local equities posting negative returns for the quarter. While it was a volatile quarter for bonds, the ALBI posted a positive 0.4% return for the quarter.

- Although the Income portfolio outperformed its peer group during the quarter, it underperformed the benchmark over the same period. This was due to the additional write-downs of non-performing credit instruments in the Mi-Plan Enhanced Income Retention Fund.

- Relative to their respective benchmarks, all the multi-asset class portfolios generated strong positive returns during the quarter and outperformed their respective benchmarks, despite a muted performance from local asset classes. When compared to peers, the portfolios showed encouraging results, with all the portfolios outperforming, except for the Unconstrained portfolio.

- During the last 12 months, tactical asset allocation (TAA) continued to detract from performance across all the multi-asset class portfolios as the global equity underweight position hurt performance over the period. The overweight position to local bonds was also a detractor while the underweight position to local cash contributed to performance. Manager selection contributed positively to total returns, with Foord Equity Fund and Curate Momentum Global Sustainable Equity Feeder Fund being notable contributors to performance. The Visio BCI Unconstrained Fixed Income Fund and the Coronation Global Emerging Markets Flexible Fund detracted from performance across the multi-asset class portfolios.

- All the portfolios delivered reasonable returns over their respective time horizons with the Conservative, Stable, Moderate and Balanced portfolios outperforming their respective benchmarks, while the Income marginally underperformed its benchmark. The relatively more aggressive portfolios, the Growth and Unconstrained portfolios, remained under pressure and underperformed their respective benchmarks.

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

- Looking ahead, we maintain a preference for local equities over local cash. Additionally, due to the strong performance of local property, we recommend adopting a neutral to underweight position in local property, while favouring local bonds based on current valuations.

2.2 Equilibrium Income Portfolio

Data as at:	31 December 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

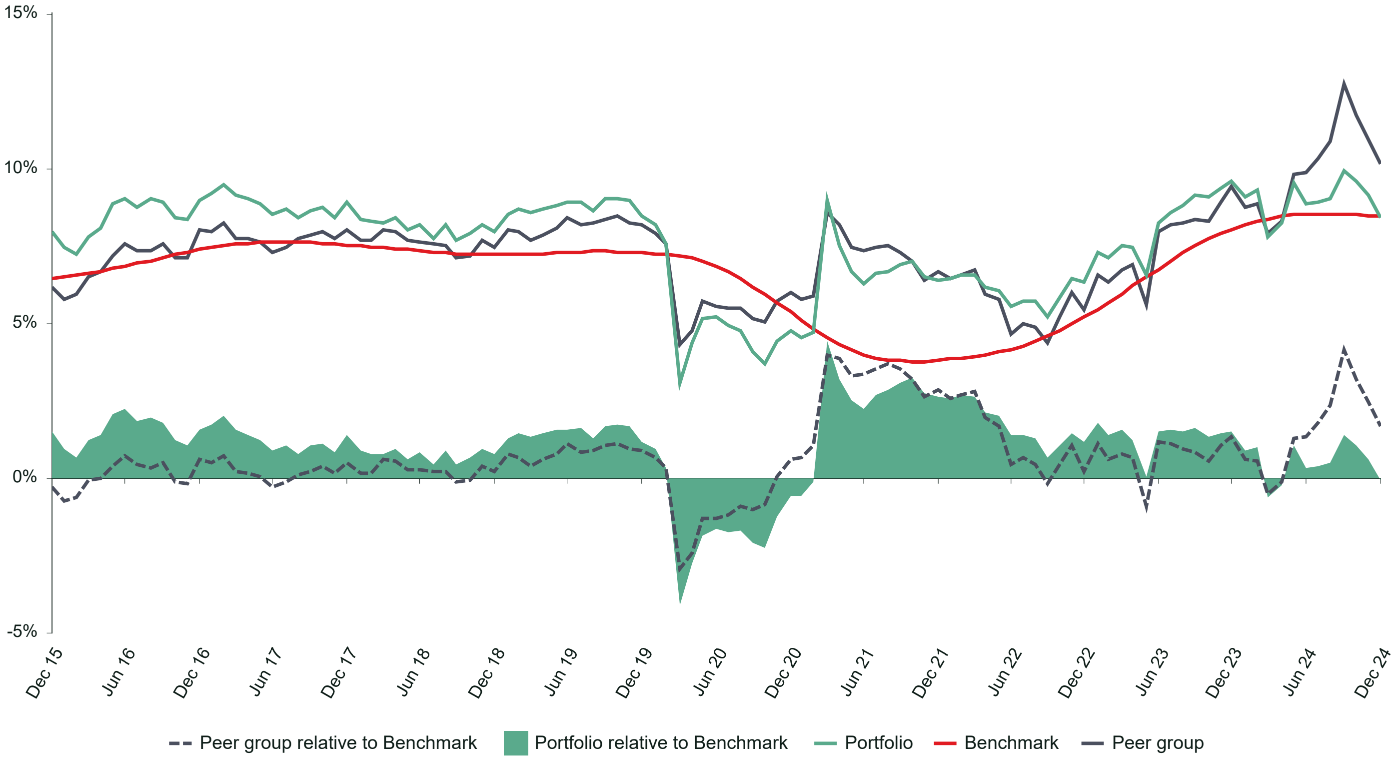
	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**1.90%**	**5.06%**	**8.43%**	**8.12%**	**7.11%**	**7.43%**	**7.79%**	**7.52%**	**90**
Benchmark	2.01%	4.12%	8.46%	7.23%	6.17%	6.48%	6.68%	6.55%	
Peer group	*1.52%*	*5.78%*	*10.15%*	*8.33%*	*7.53%*	*7.62%*	*7.55%*	*7.64%*	

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.

- While the portfolio outperformed the peer group over the quarter, it lagged the benchmark over the same period. This was due to the further write downs of the non-performing credit instruments in the Mi-Plan Enhanced Income Retention Fund.
- The portfolio marginally underperformed its benchmark over its time horizon and underperformed the peer group.

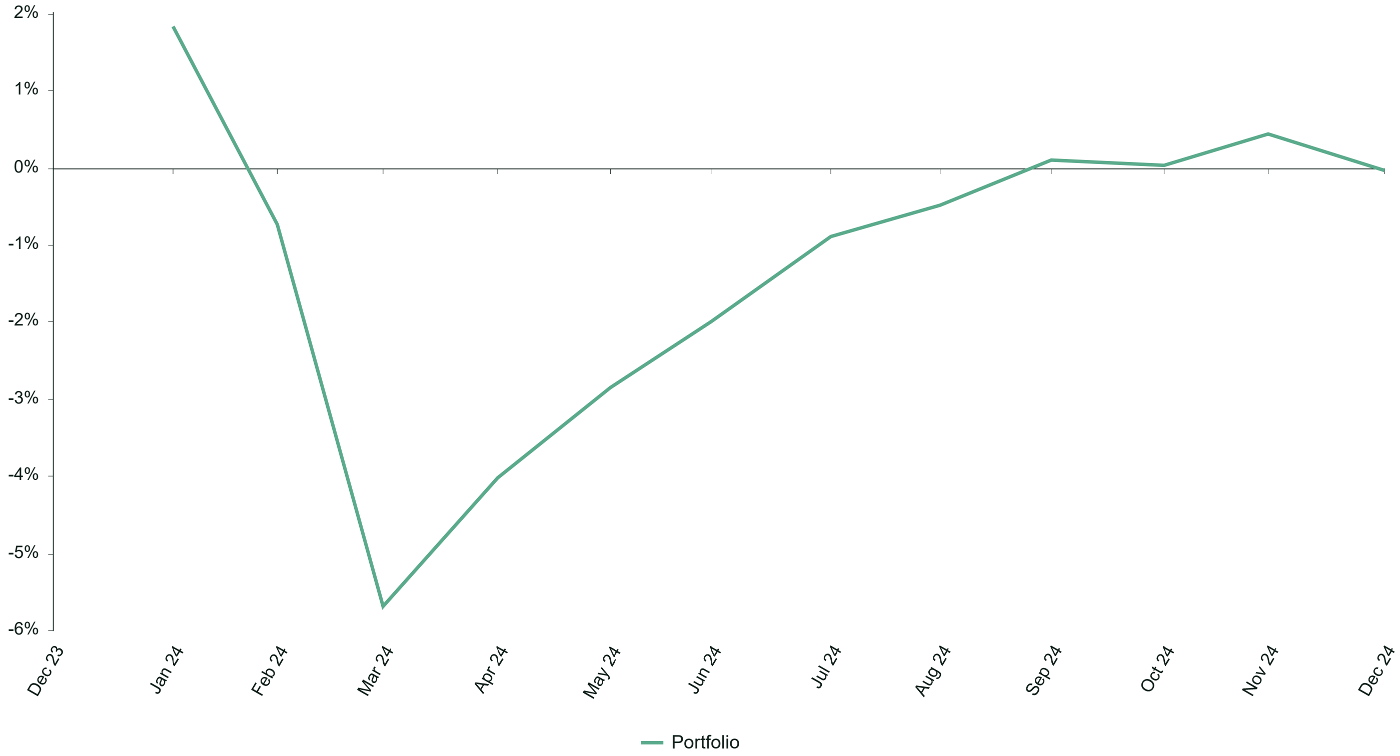
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	109	
Periods of outperformance	**94**	*86*
Realised probability of outperformance	**86%**	*79%*
Maximum outperformance	**4.44%**	*4.18%*
Maximum underperformance	**-4.11%**	*-2.90%*

- Over the period, the portfolio outperformed its benchmark during 86% 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



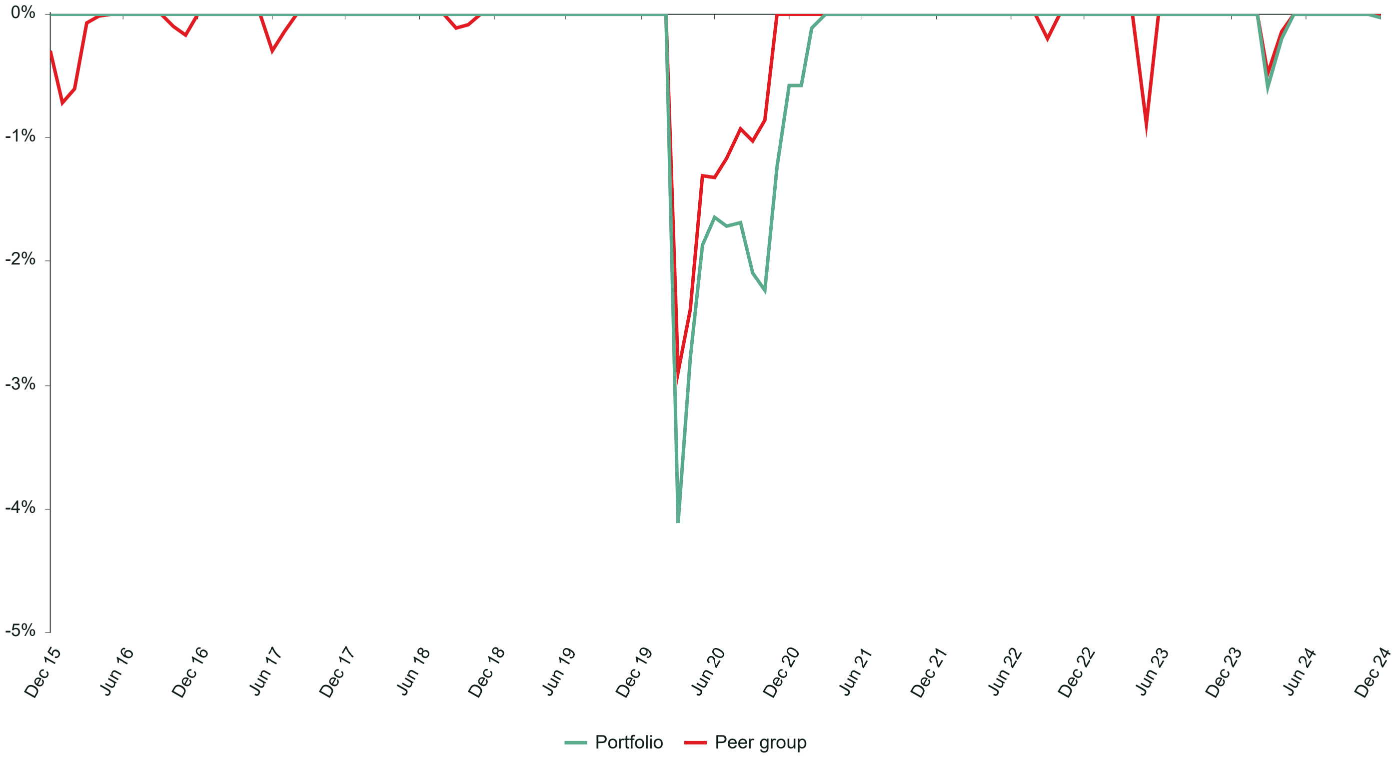
- The underperformance relative to benchmark in March 2024 was due the suspension of interest accrual and the subsequent impairment of non-performing credit instruments in the Mi-Plan IP Enhanced Income Fund. While the portfolio recovered strongly from the March 2024 drawdown, the impact of the latest write-down has detracted.

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 write-downs in the Mi-Plan IP Enhanced Income Retention Fund.

2.3 Equilibrium Conservative Portfolio

Data as at:	31 December 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

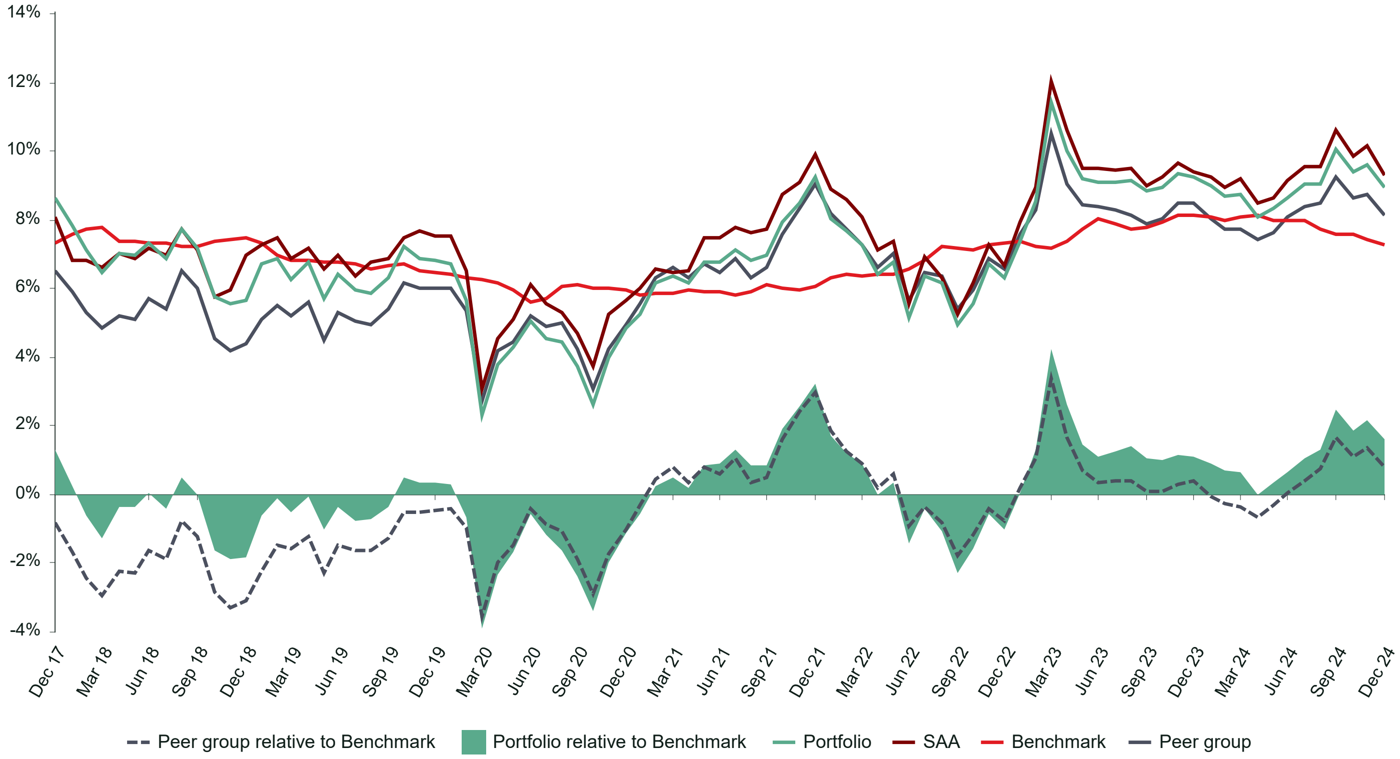
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**2.24%**	**8.78%**	**14.43%**	**8.92%**	**9.06%**	**8.04%**	**8.22%**	**8.29%**	**90**
Benchmark	0.50%	1.60%	4.93%	7.28%	6.88%	6.73%	6.91%	6.61%	
SAA	2.01%	8.48%	14.66%	9.32%	9.60%	8.51%	8.38%	8.93%	
Peer group	*1.68%*	*7.23%*	*12.25%*	*8.11%*	*8.57%*	*7.49%*	*7.20%*	*7.72%*	

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 1.64% 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 0.23% over the last 12 months, net of all investment related fees.

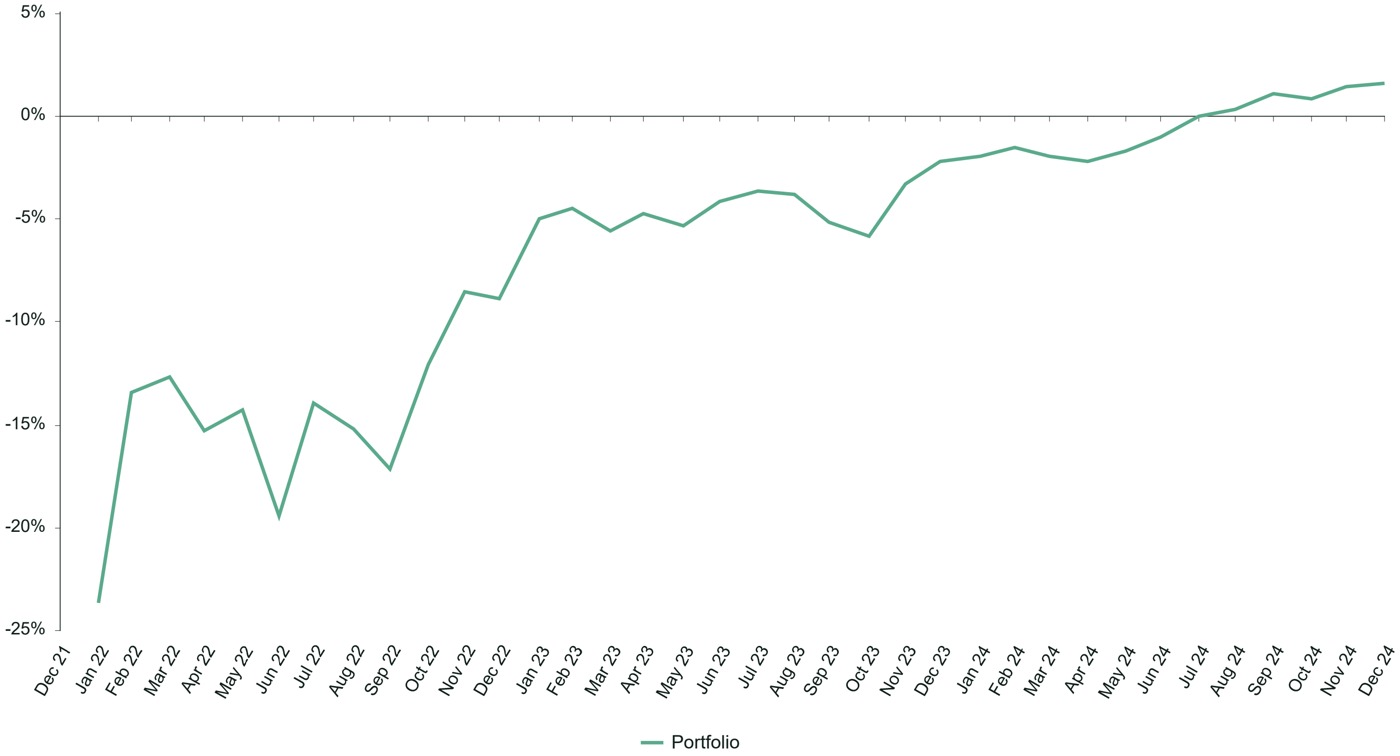
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	85	
Periods of outperformance	**46**	*35*
Realised probability of outperformance	**54%**	*41%*
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 41% of the rolling 3-year periods.

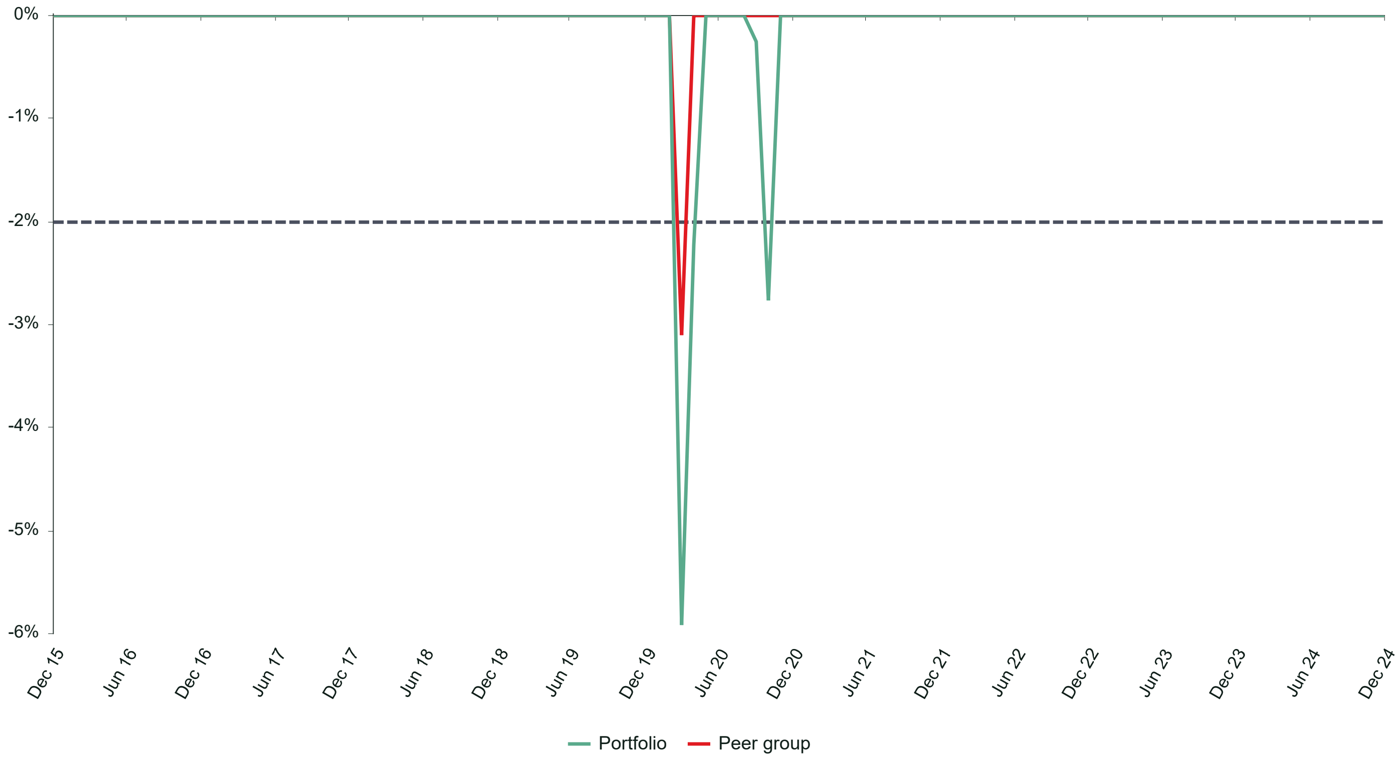
Portfolio relative to benchmark



- 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 to end the period ahead of its benchmark.

2.3.2 Risk

Rolling 1-year absolute drawdown over 10 years



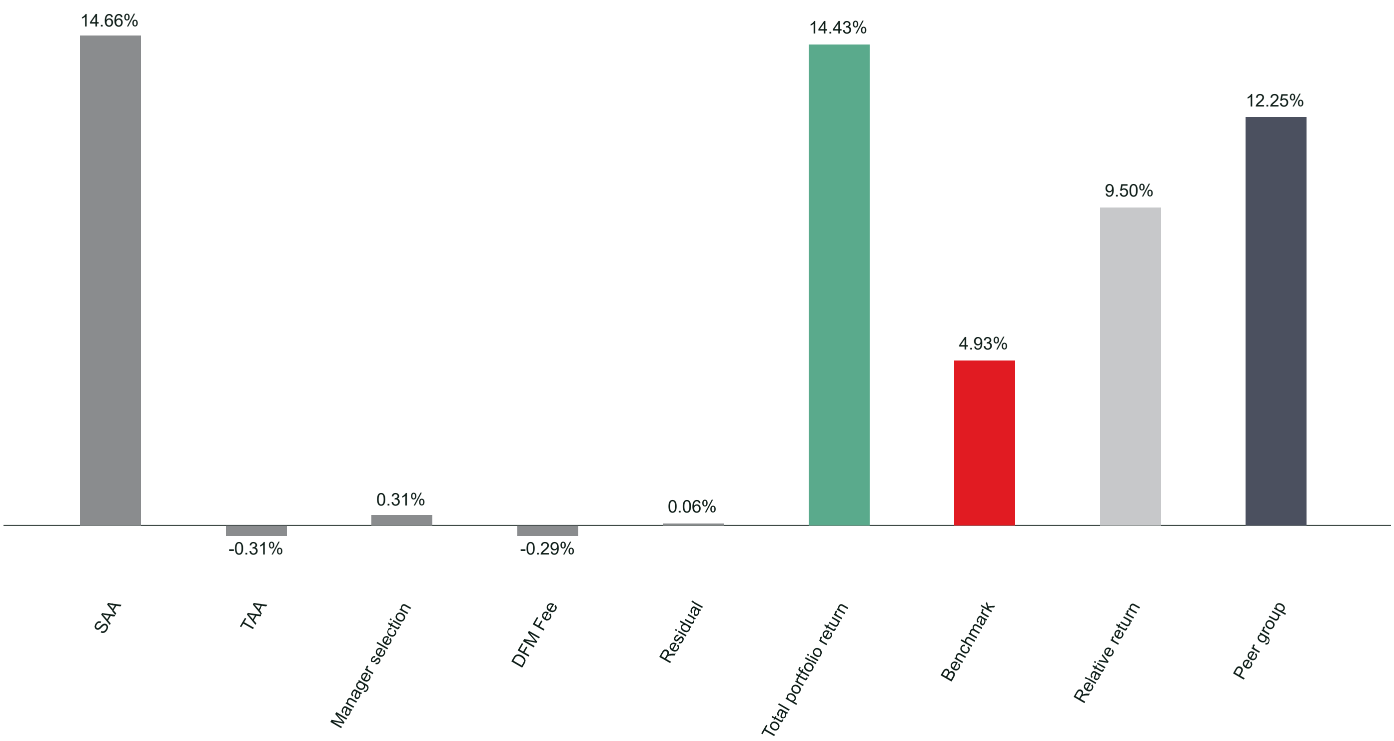
- The portfolio breached the acceptable drawdown level of 2% twice.

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.

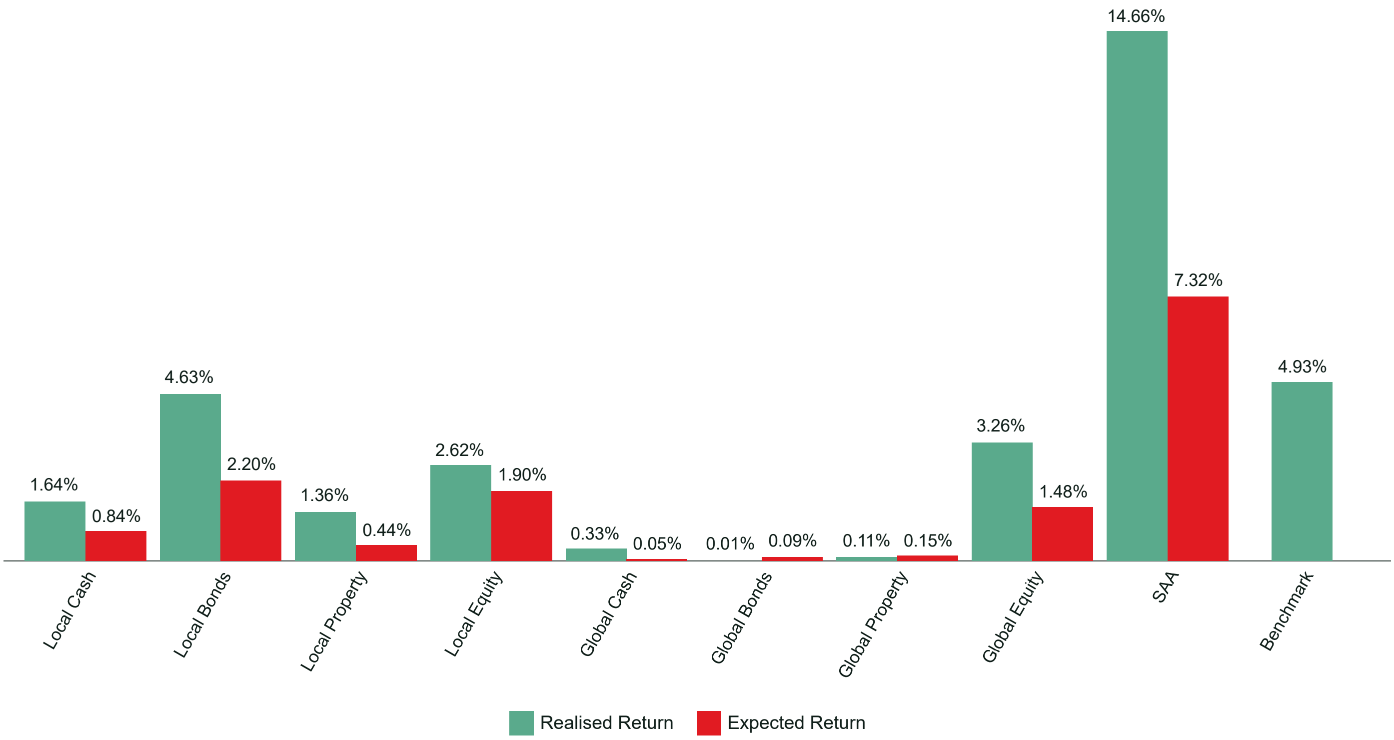
2.3.3 Performance attribution

Total return attribution over 12 months



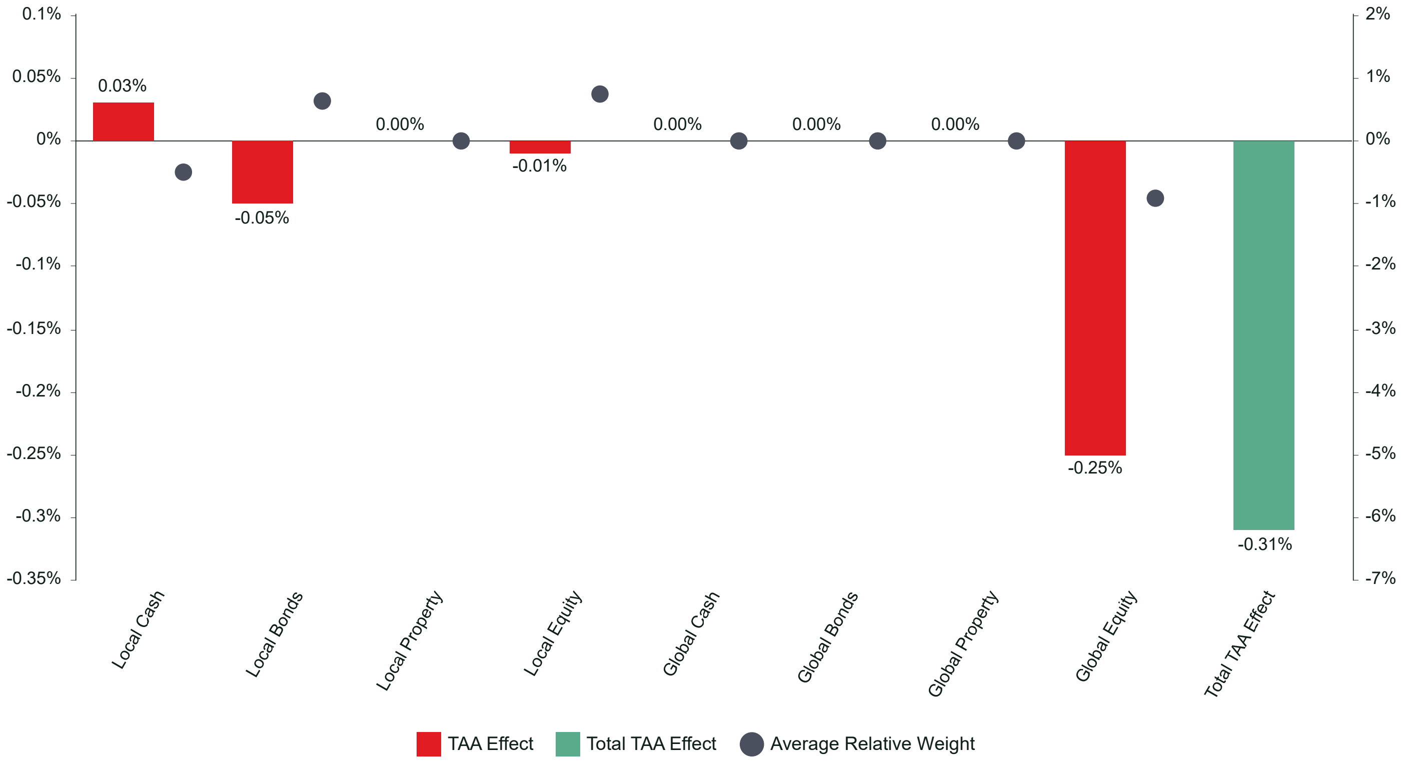
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



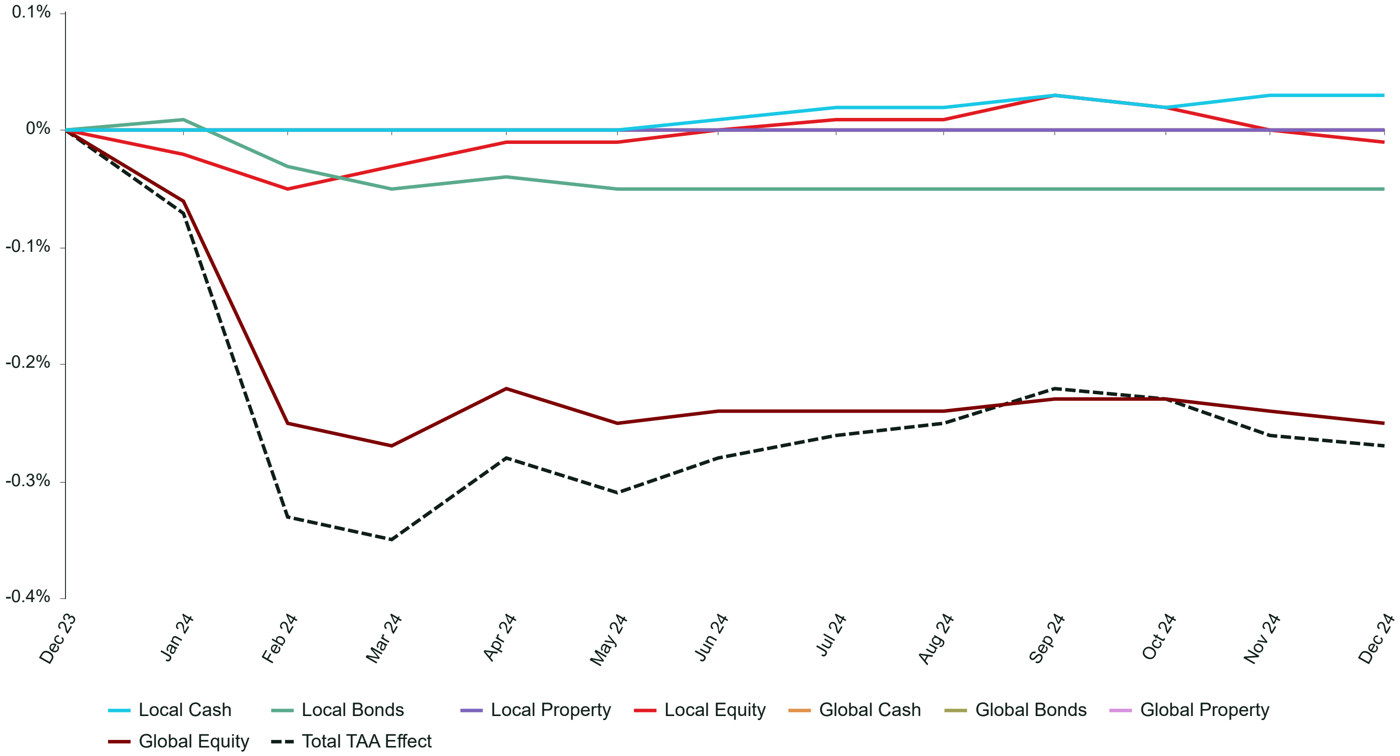
- The graph above illustrates the weighted realised return from each asset class over the period considered relative to our long-term forward-looking expectations.
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term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

Tactical asset allocation effects over 12 months



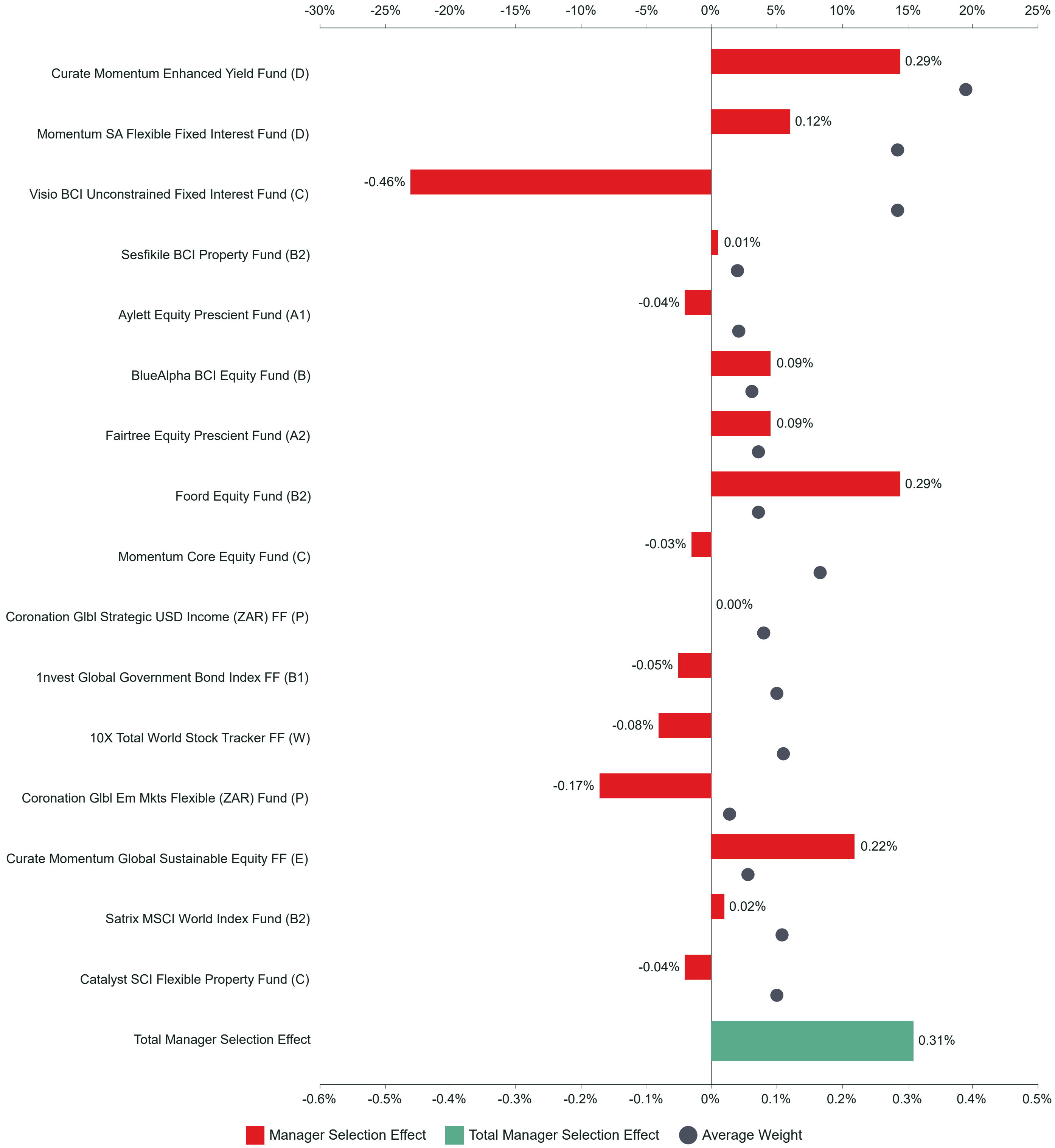
- The underweight position to global equity was the largest detractor from performance over the last 12 months.

Cumulative tactical asset allocation effects over 12 months

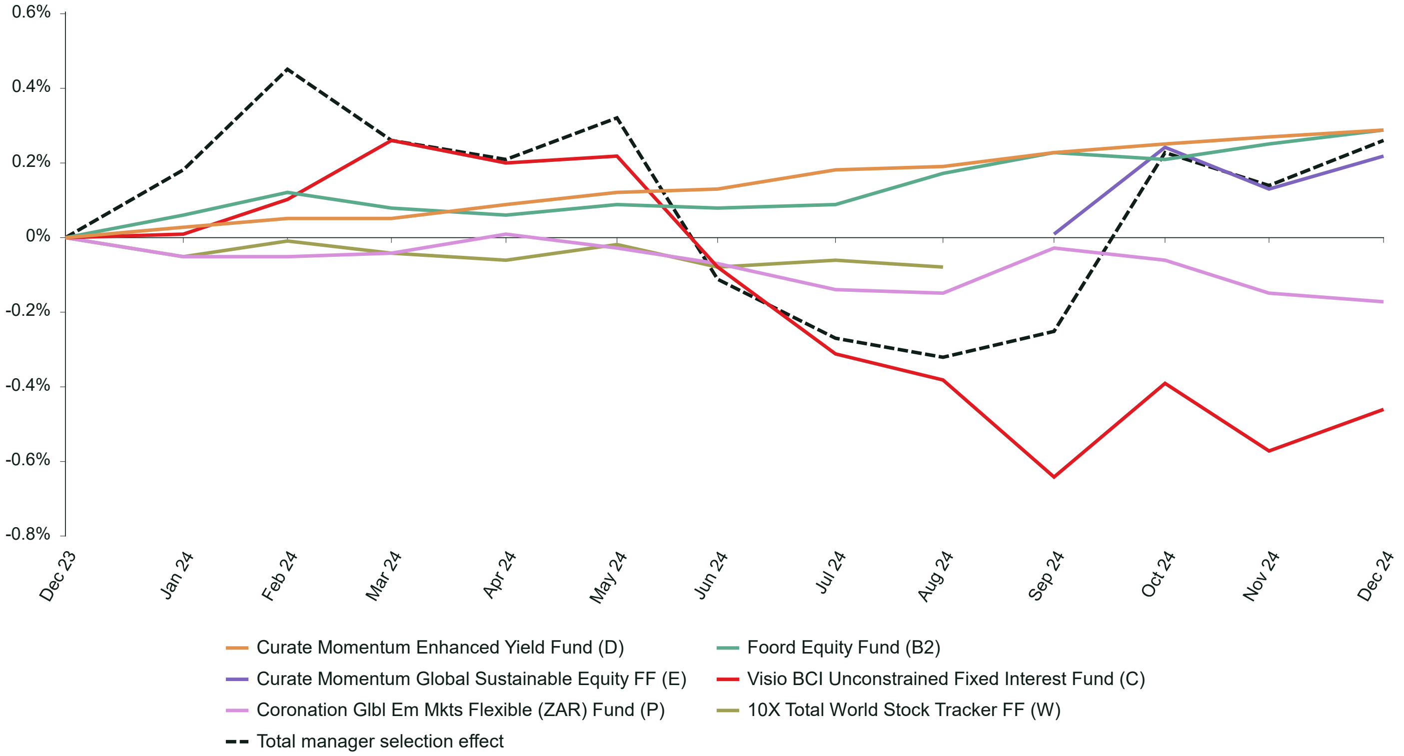


- The above graph illustrates the progression of the tactical asset allocation for all asset classes and in aggregate over the previous 12 months.

Manager selection effects over 12 months



Cumulative manager selection effects over 12 months



2.4 Equilibrium Stable Portfolio

Data as at:	31 December 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	**2.30%**	**9.18%**	**15.38%**	**14.34%**	**11.45%**	**9.93%**	**8.44%**	**8.73%**	**90**
Benchmark	0.74%	2.09%	5.93%	7.22%	8.32%	7.66%	7.91%	7.61%	
SAA	1.97%	8.71%	15.37%	14.90%	11.76%	10.28%	8.69%	9.31%	
Peer group	*1.60%*	*7.18%*	*12.80%*	*12.04%*	*9.74%*	*8.77%*	*7.31%*	*7.87%*	

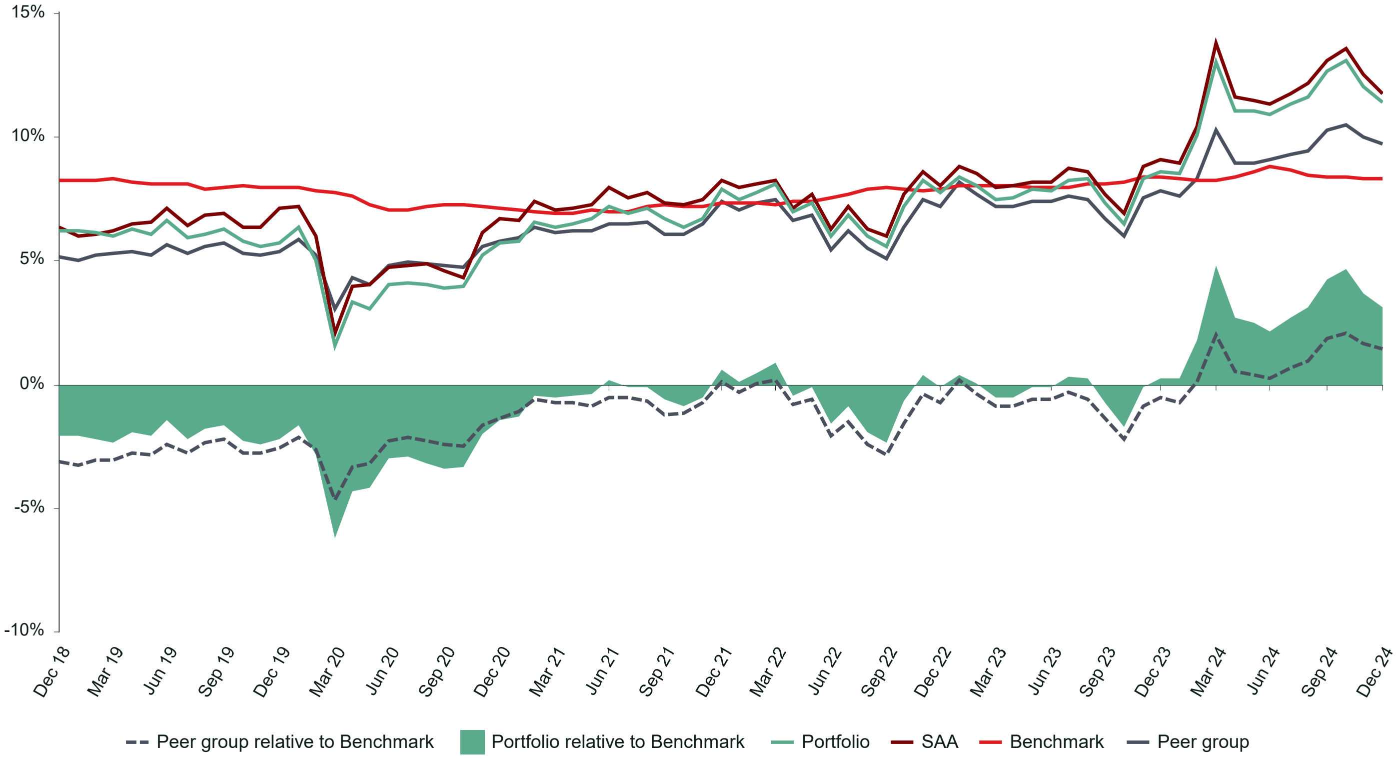
SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.

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 3.13% p.a. over the 4-year period. It also outperformed the peer group over the same period.
- The portfolio performed in line with its strategic asset allocation over the last 12 months, net of all investment related fees.

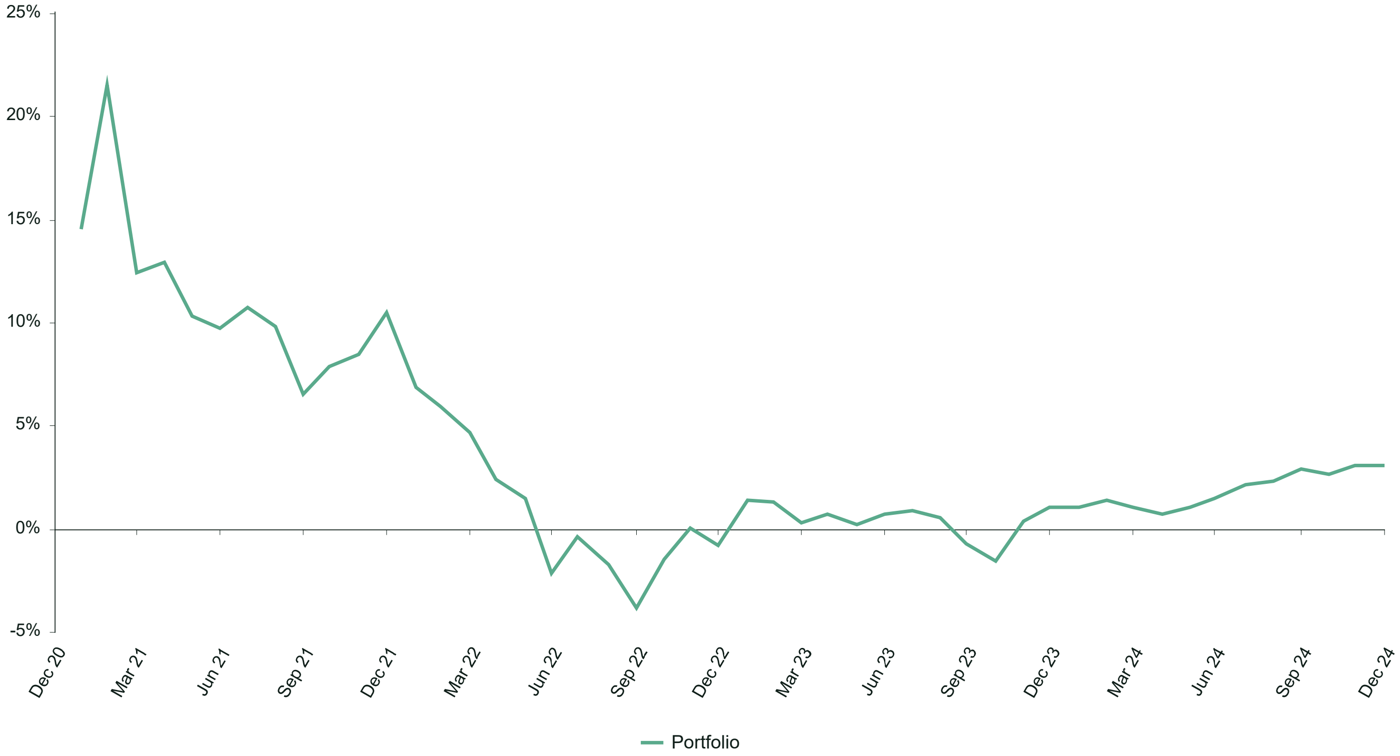
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	73	
Periods of outperformance	**23**	*15*
Realised probability of outperformance	**32%**	*21%*
Maximum outperformance	**4.80%**	*2.09%*
Maximum underperformance	**-6.19%**	*-4.69%*

- Over the period, the portfolio outperformed its benchmark on 32% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 21% of the rolling 4-year periods.

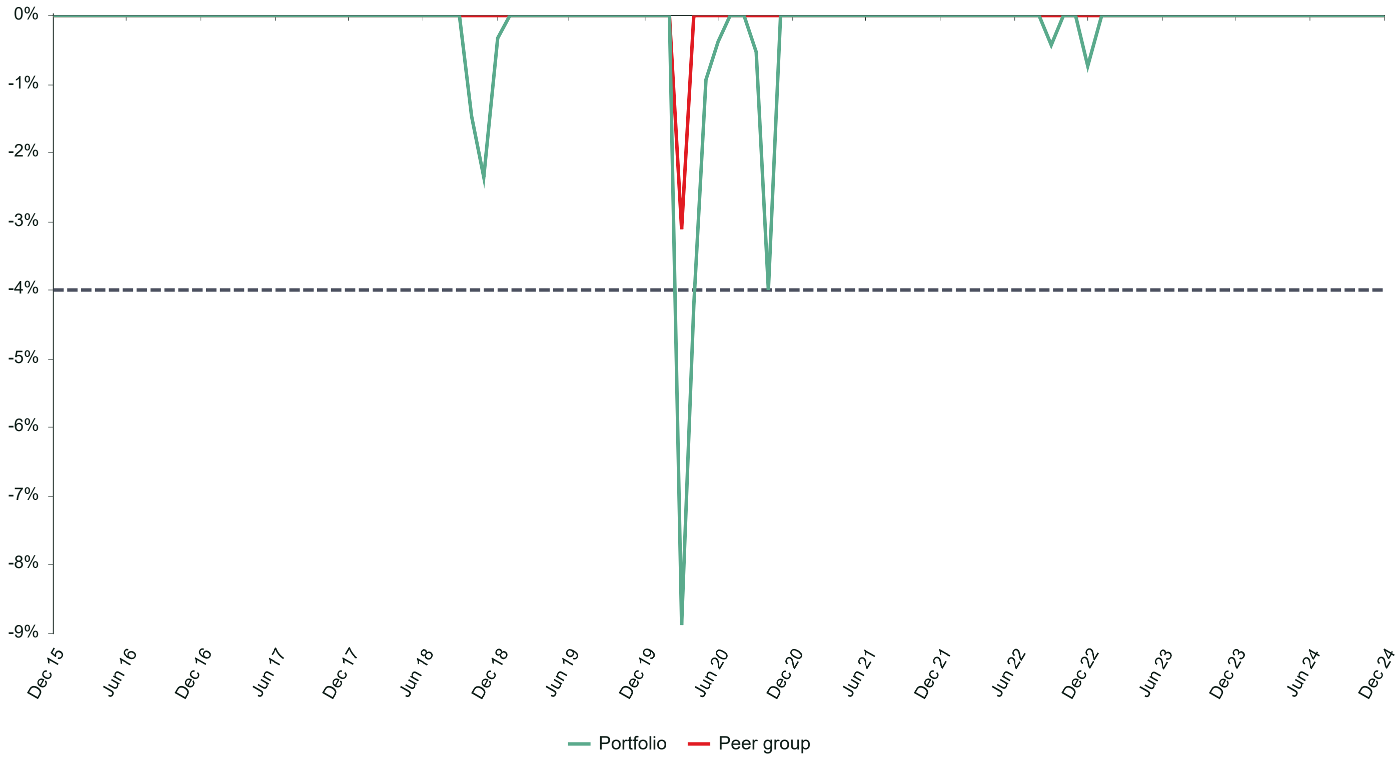
Portfolio relative to benchmark



- 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



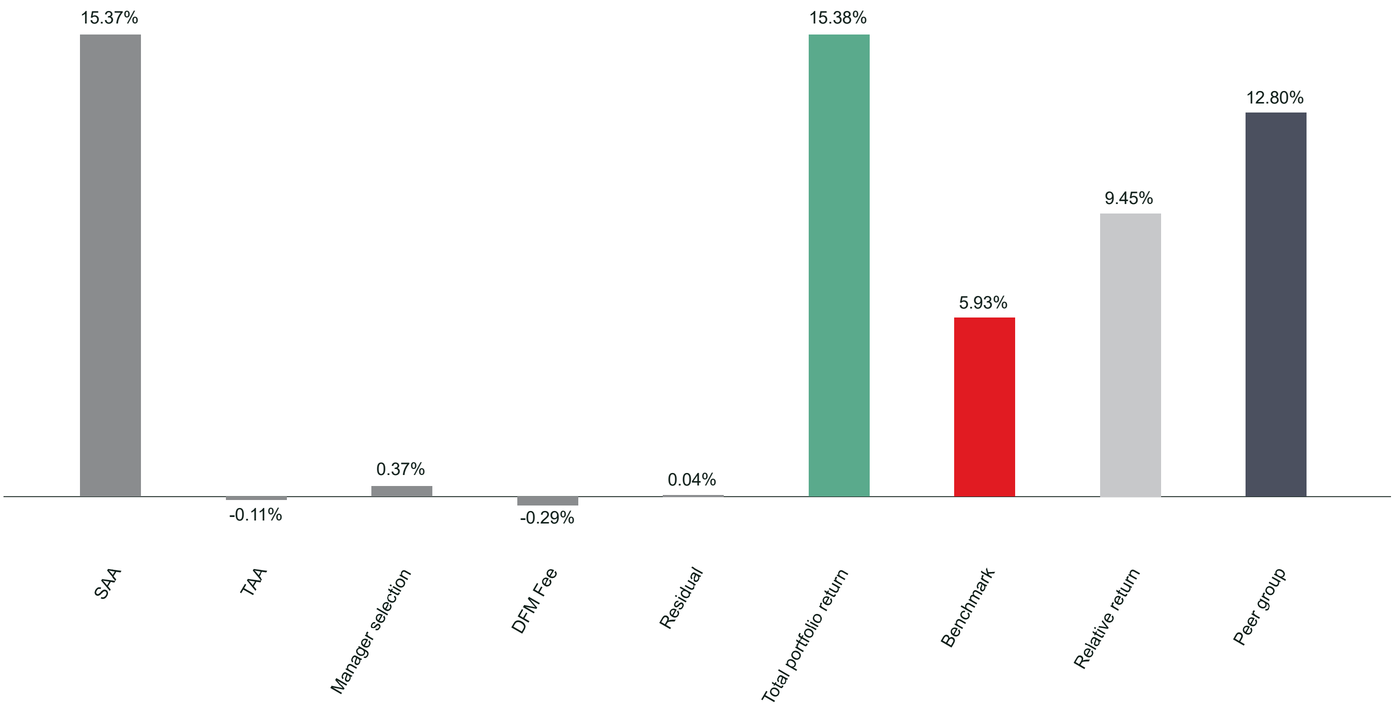
- The portfolio breached the acceptable drawdown level of 4% twice.

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.

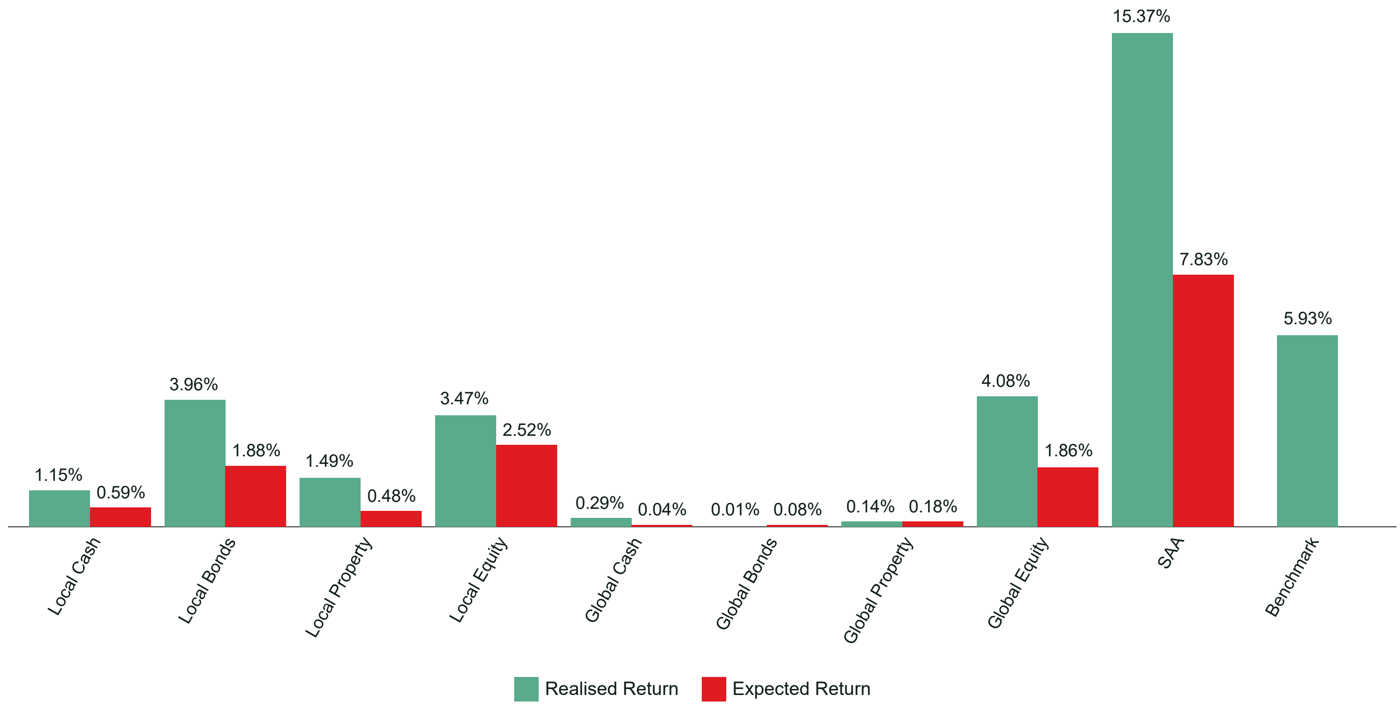
2.4.3 Performance attribution

Total return attribution over 12 months



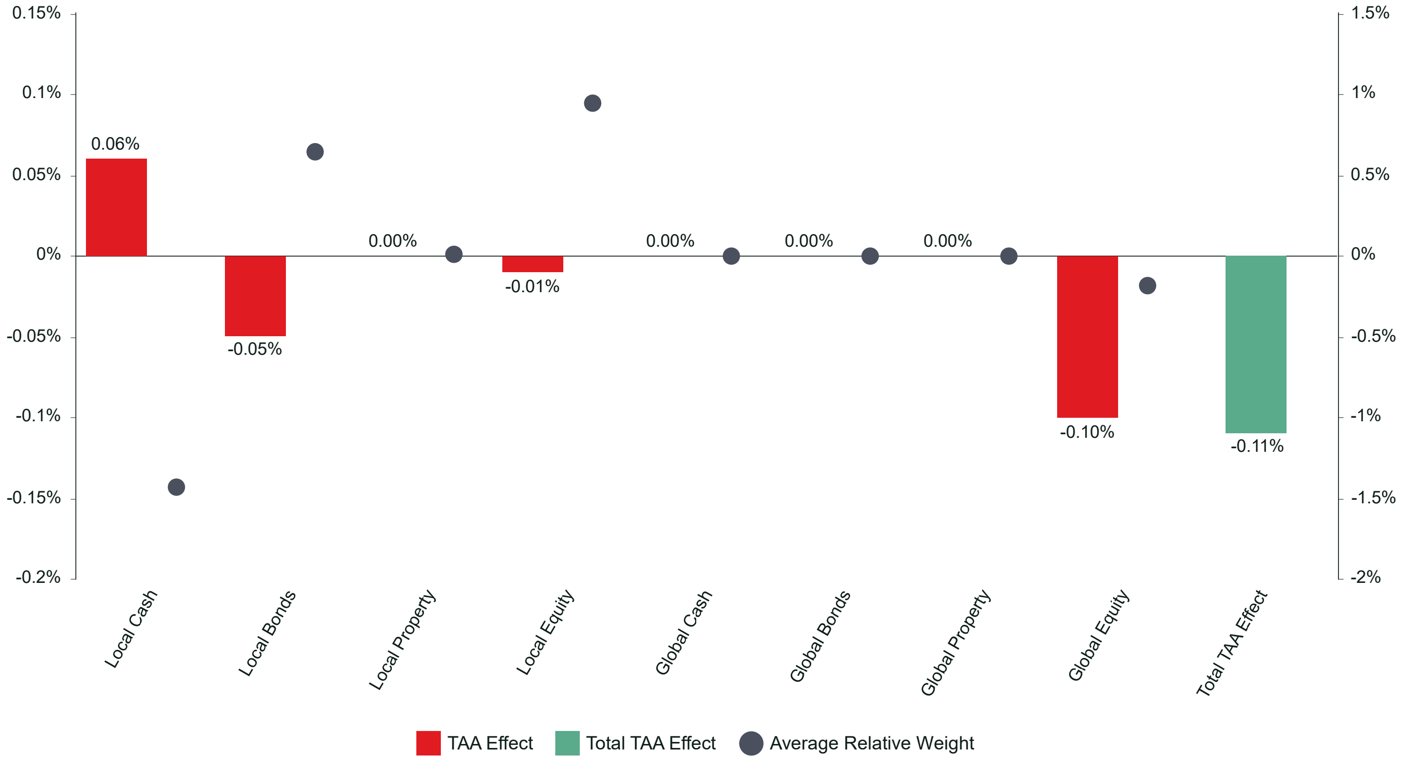
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



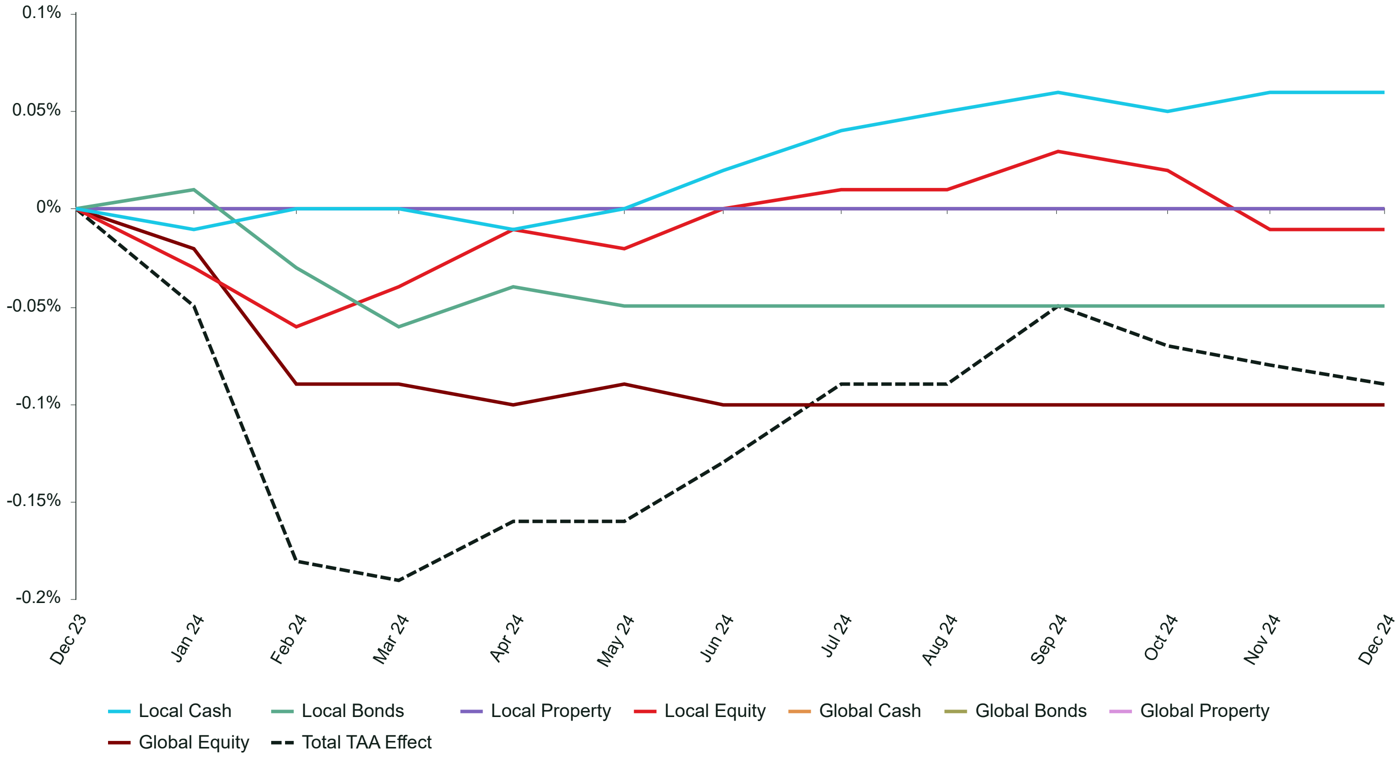
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term expectations.

Tactical asset allocation effects over 12 months



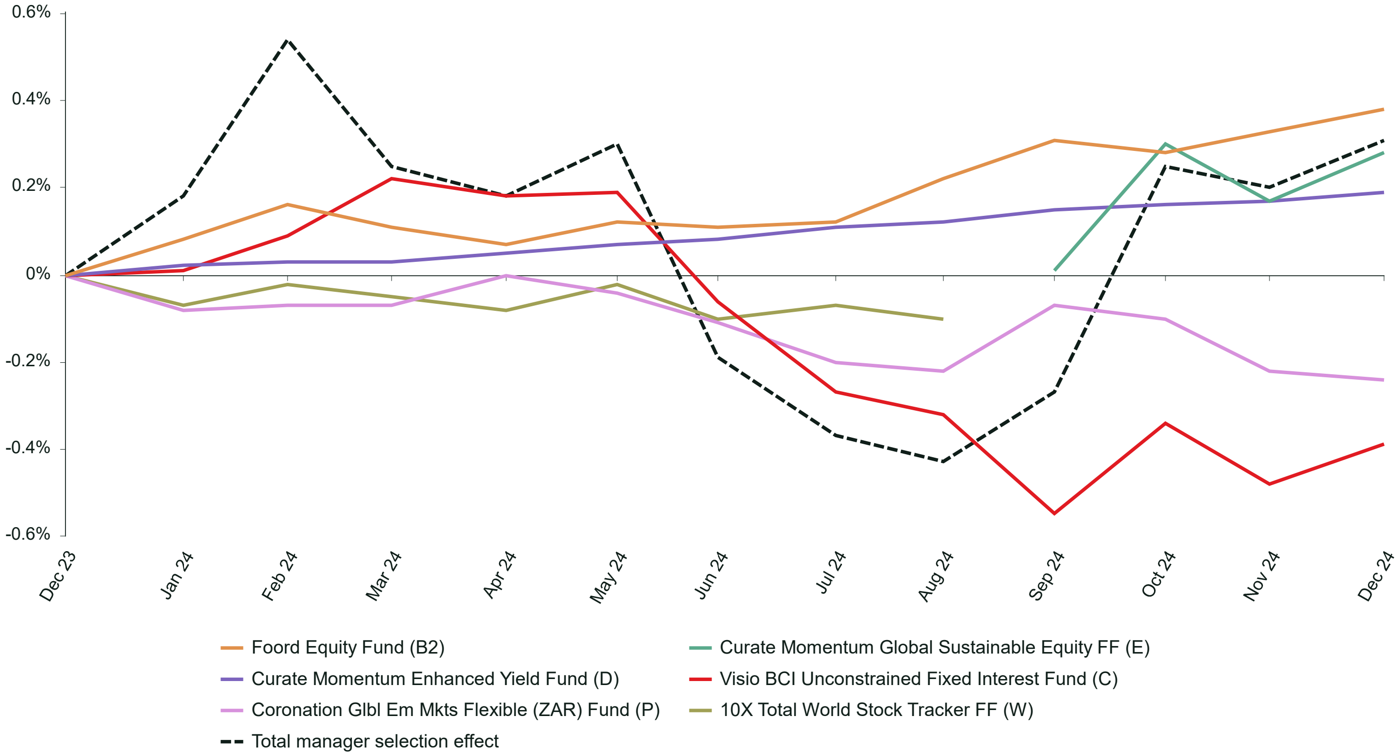
- The underweight position to local cash was the largest contributor to performance while the overweight position to local bonds and underweight position to global equity detracted over the last 12 months.

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:	31 December 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

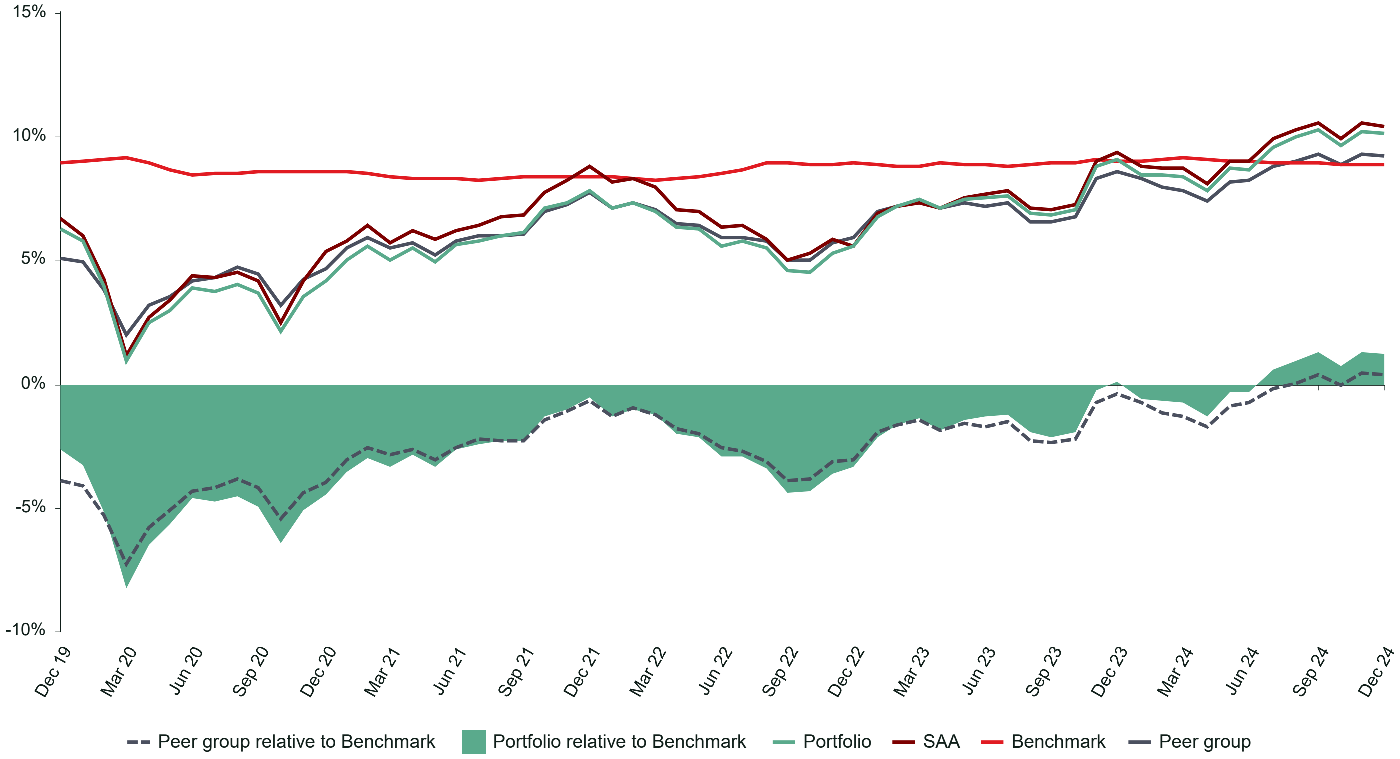
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**2.25%**	**9.39%**	**15.67%**	**9.10%**	**10.12%**	**8.10%**	**8.20%**	**8.56%**	**90**
Benchmark	0.99%	2.58%	6.93%	9.29%	8.88%	8.74%	8.91%	8.62%	
SAA	1.88%	8.79%	15.63%	9.36%	10.47%	8.27%	8.56%	9.11%	
Peer group	*1.60%*	*7.18%*	*12.80%*	*7.98%*	*9.25%*	*7.63%*	*7.15%*	*7.99%*	

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 1.24% p.a. over the 5-year period. It also outperformed the peer group over the same period.
- The portfolio marginally outperformed its strategic asset allocation over the last 12 months, net of all investment related fees.

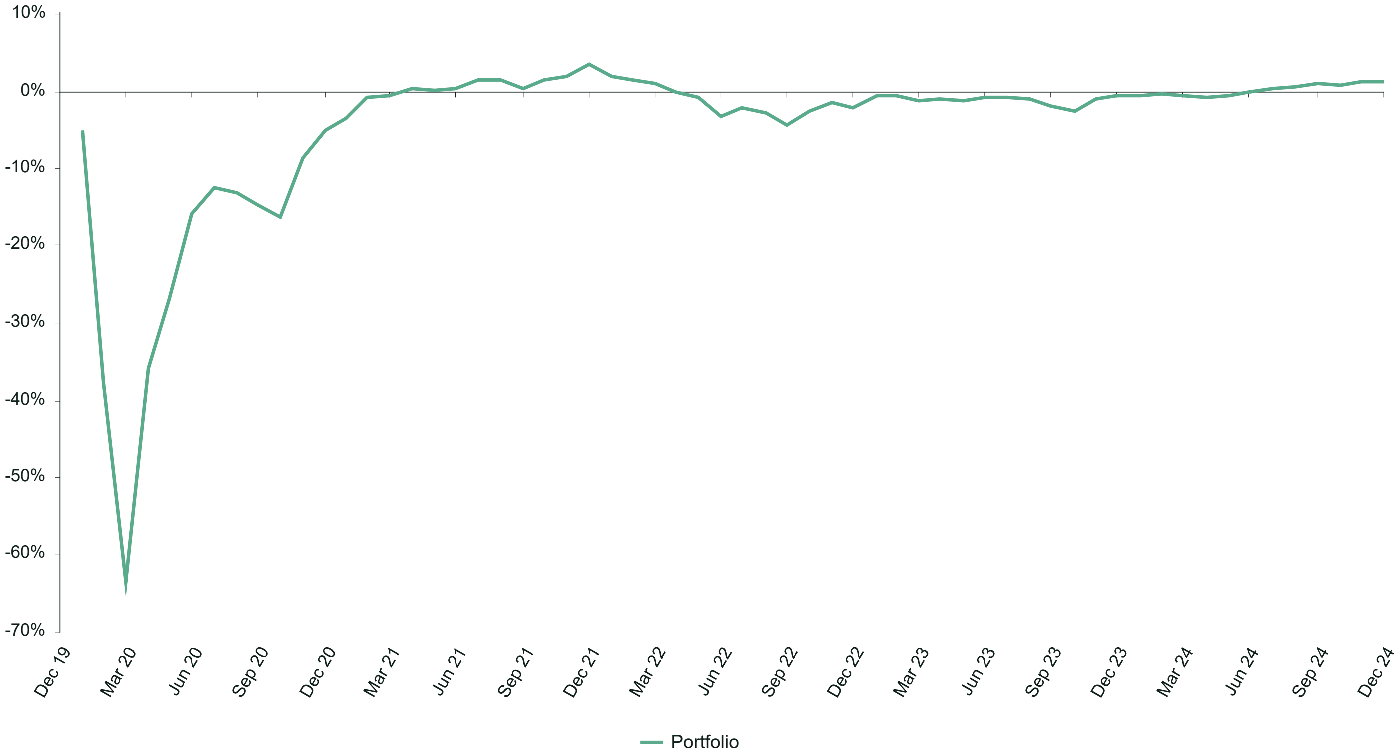
Rolling investment horizon returns over 10 years



	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	61	
Periods of outperformance	**7**	*4*
Realised probability of outperformance	**11%**	*7%*
Maximum outperformance	**1.31%**	*0.44%*
Maximum underperformance	**-8.23%**	*-7.23%*

- Over the period, the portfolio outperformed its benchmark on 11% of the total rolling 5-year periods. This compares favourably with the peer group, which outperformed on 7% of the total the rolling 5-year periods.

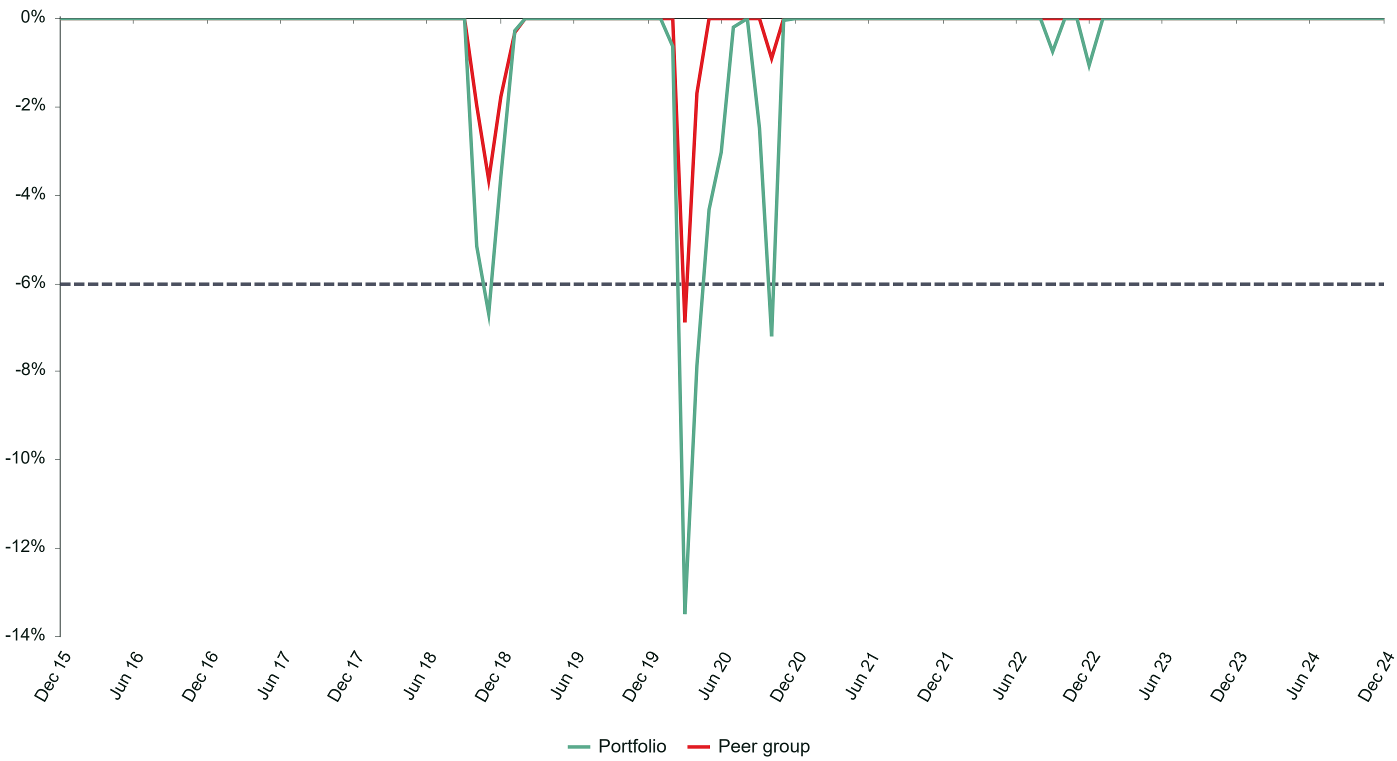
Portfolio relative to benchmark



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

2.5.2 Risk

Rolling 1-year absolute drawdown over 10 years



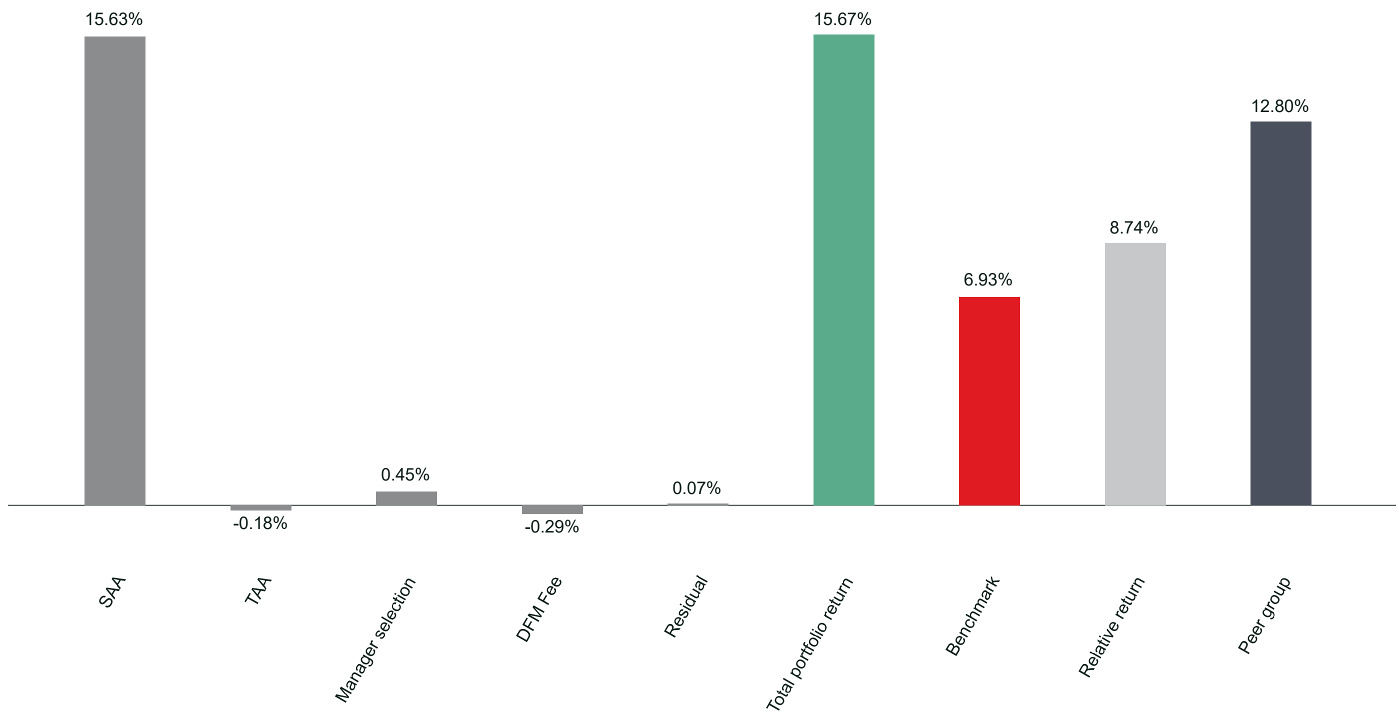
- The portfolio breached the acceptable drawdown level of 6% three times.

Rolling investment horizon absolute drawdown over 10 years

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

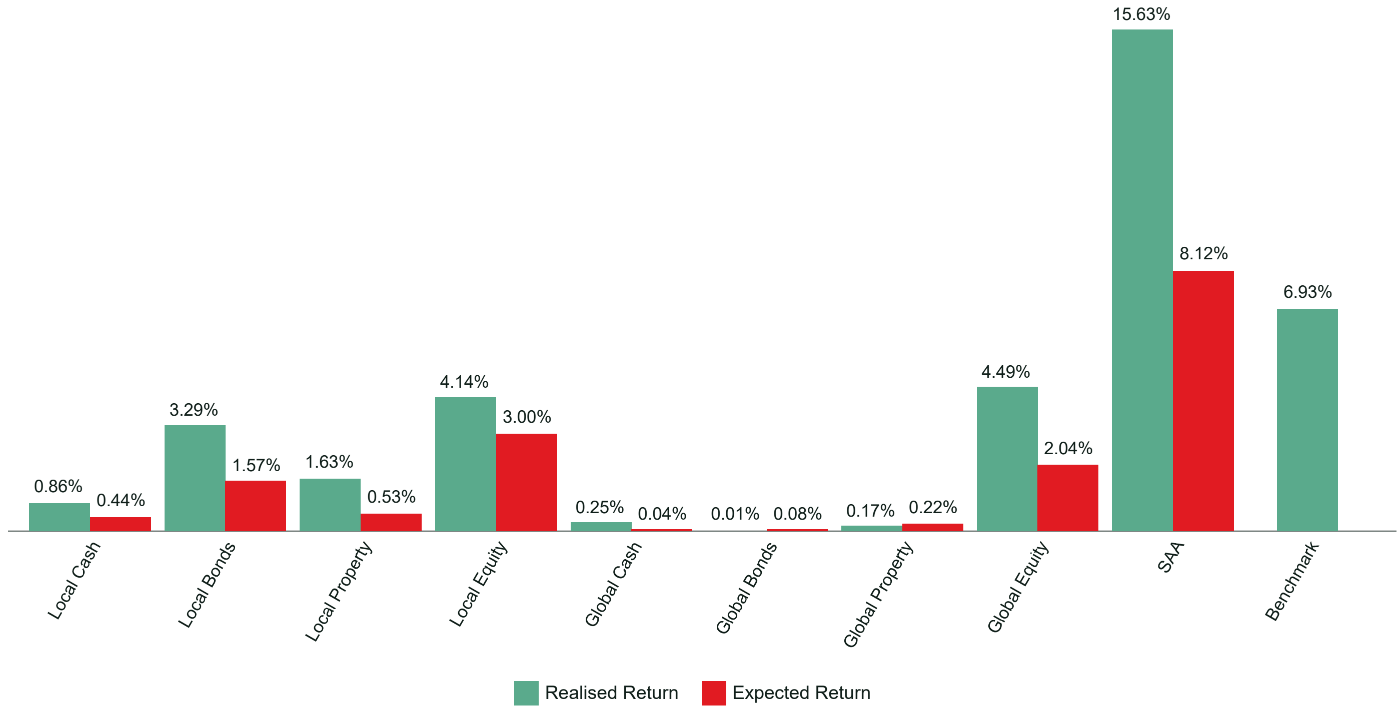
2.5.3 Performance attribution

Total return attribution over 12 months



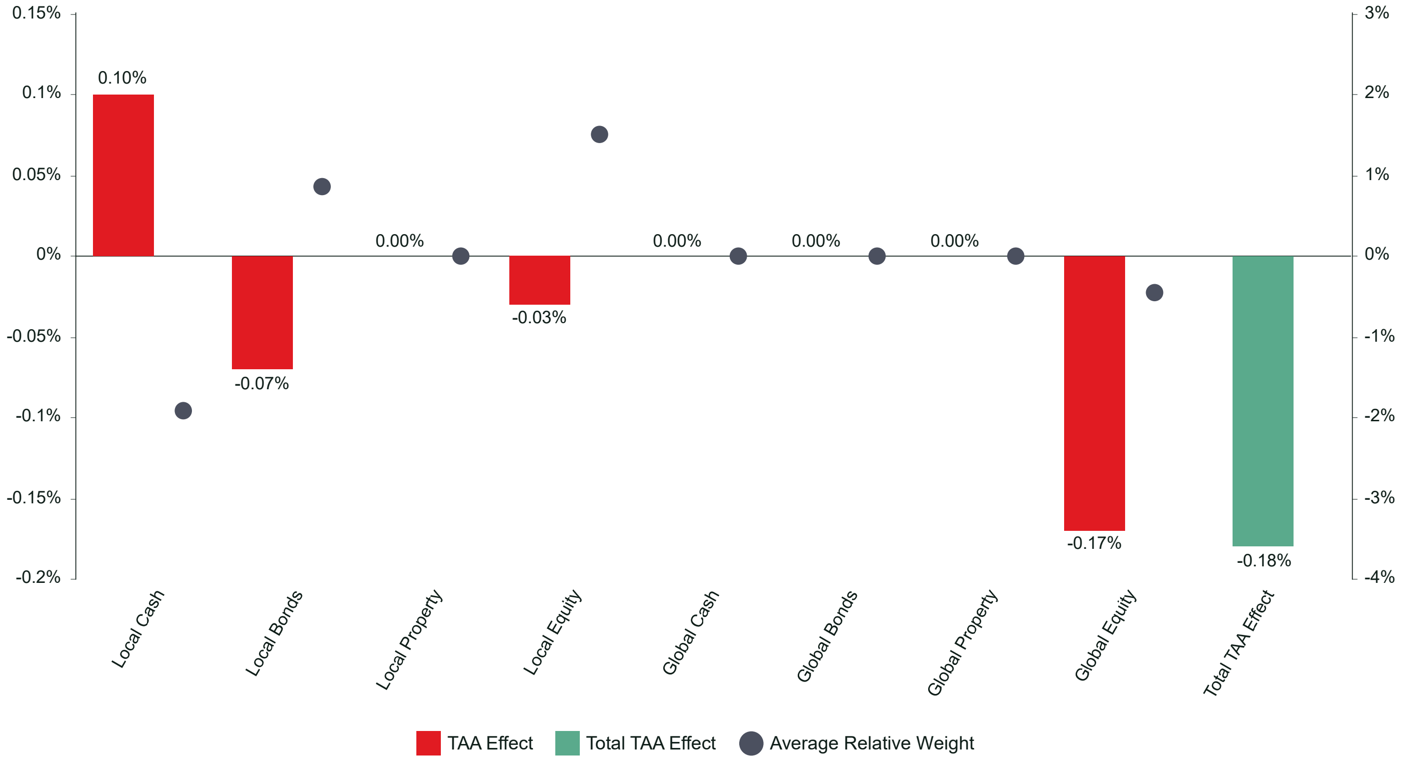
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



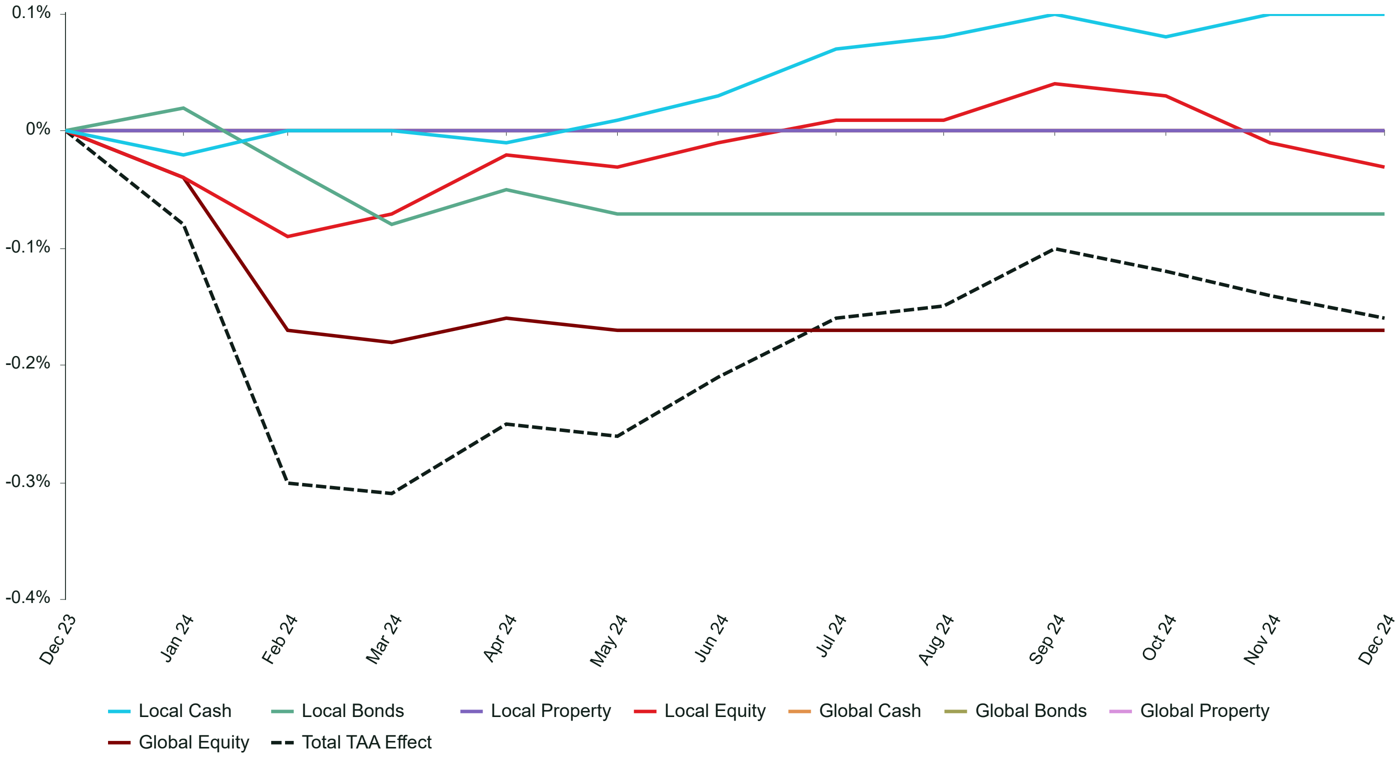
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term expectations.

Tactical asset allocation effects over 12 months



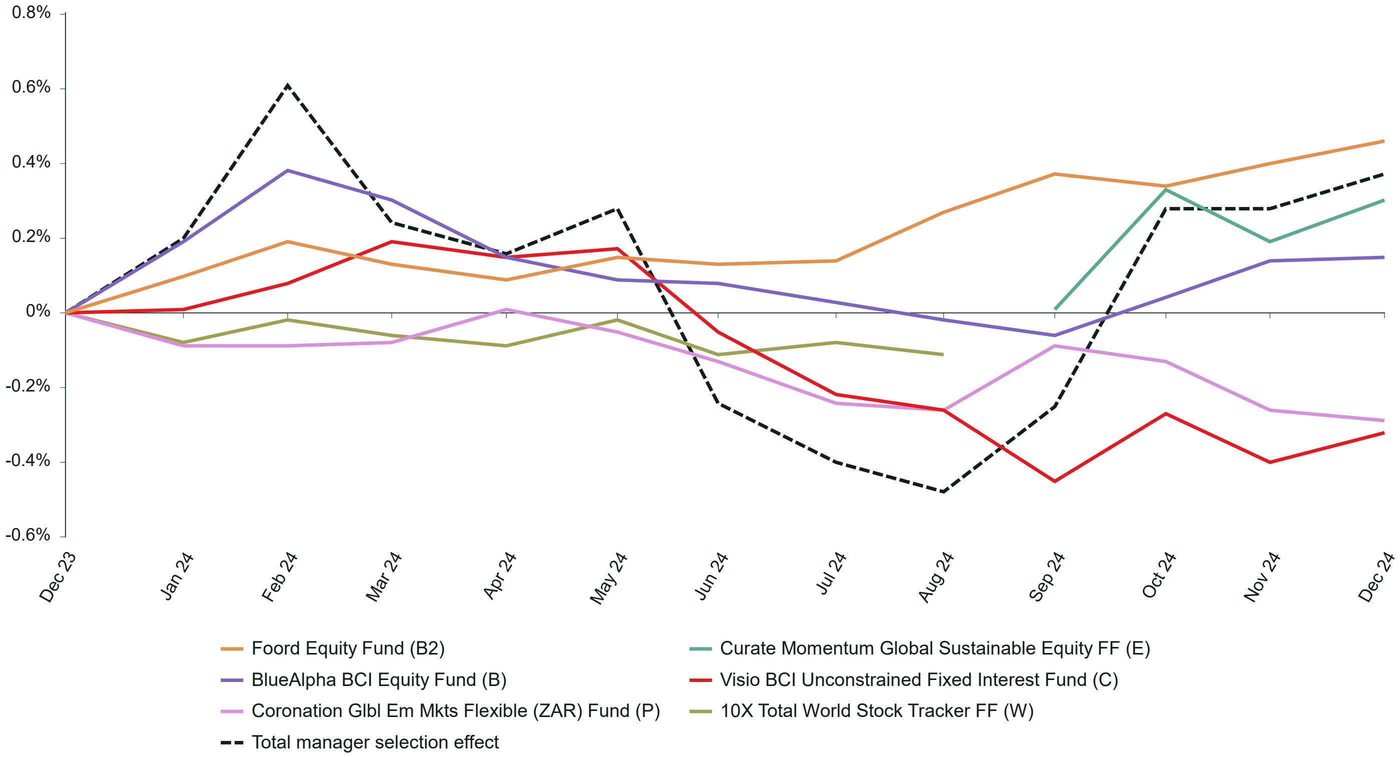
- The underweight position to local cash was the largest contributor to performance while the overweight position to local bonds and underweight position to global equity detracted over the last 12 months.

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:	31 December 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

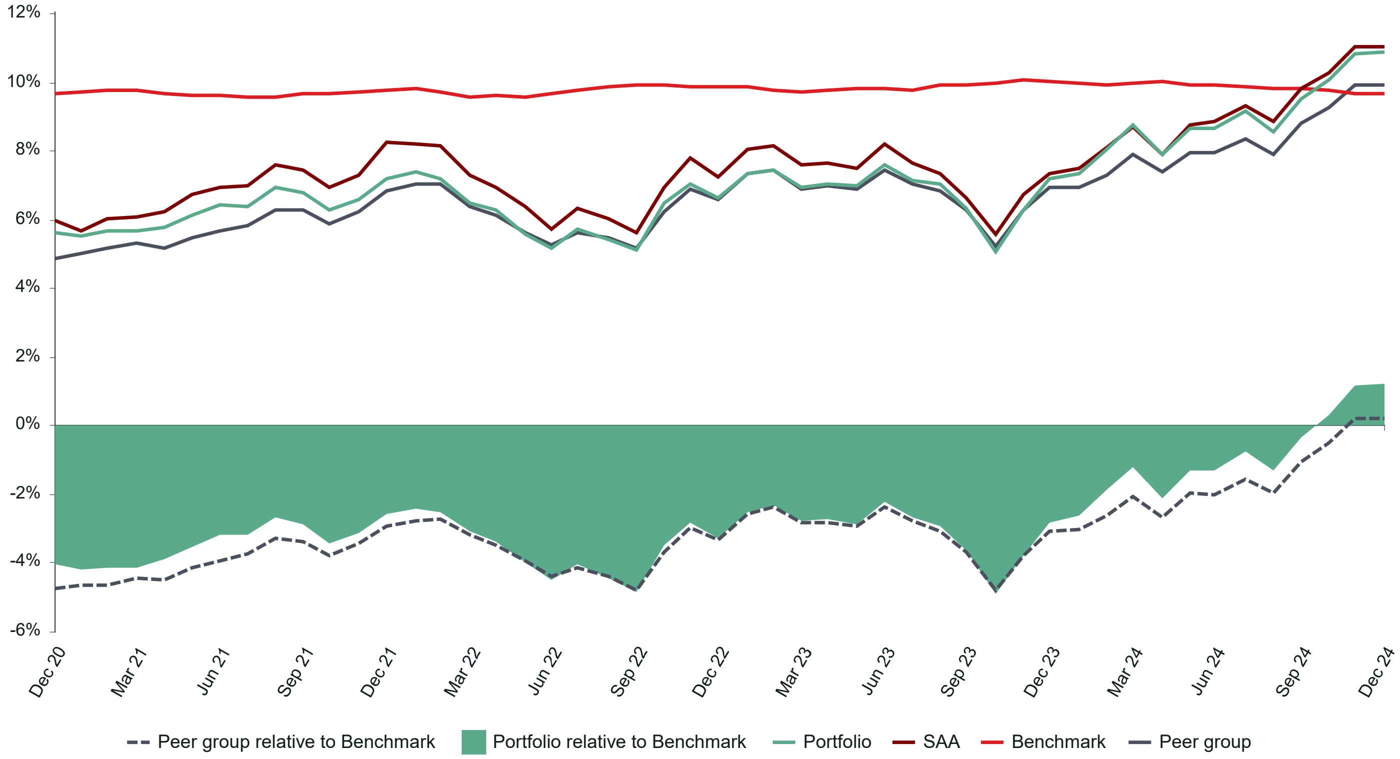
Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
Portfolio	**2.27%**	**9.80%**	**16.31%**	**15.05%**	**12.90%**	**10.91%**	**8.49%**	**8.97%**	**90**
Benchmark	1.23%	3.06%	7.93%	9.22%	10.32%	9.66%	9.92%	9.62%	
SAA	1.86%	9.04%	16.33%	16.05%	13.43%	11.06%	8.90%	9.49%	
Peer group	*1.46%*	*7.54%*	*13.45%*	*12.85%*	*11.21%*	*9.91%*	*7.38%*	*8.35%*	

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 1.25% p.a. over the 6-year period. It also outperformed the peer group over the same period.
- The portfolio marginally underperformed its strategic asset allocation 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	**3**	*2*
Realised probability of outperformance	**6%**	*4%*
Maximum outperformance	**1.25%**	*0.24%*
Maximum underperformance	**-4.91%**	*-4.77%*

- Over the period, the portfolio outperformed its benchmark on 6% of the total rolling 6-year periods. This compares favourably with the peer group, which only managed to outperform on 4% of the rolling 6-year periods.

Portfolio relative to benchmark

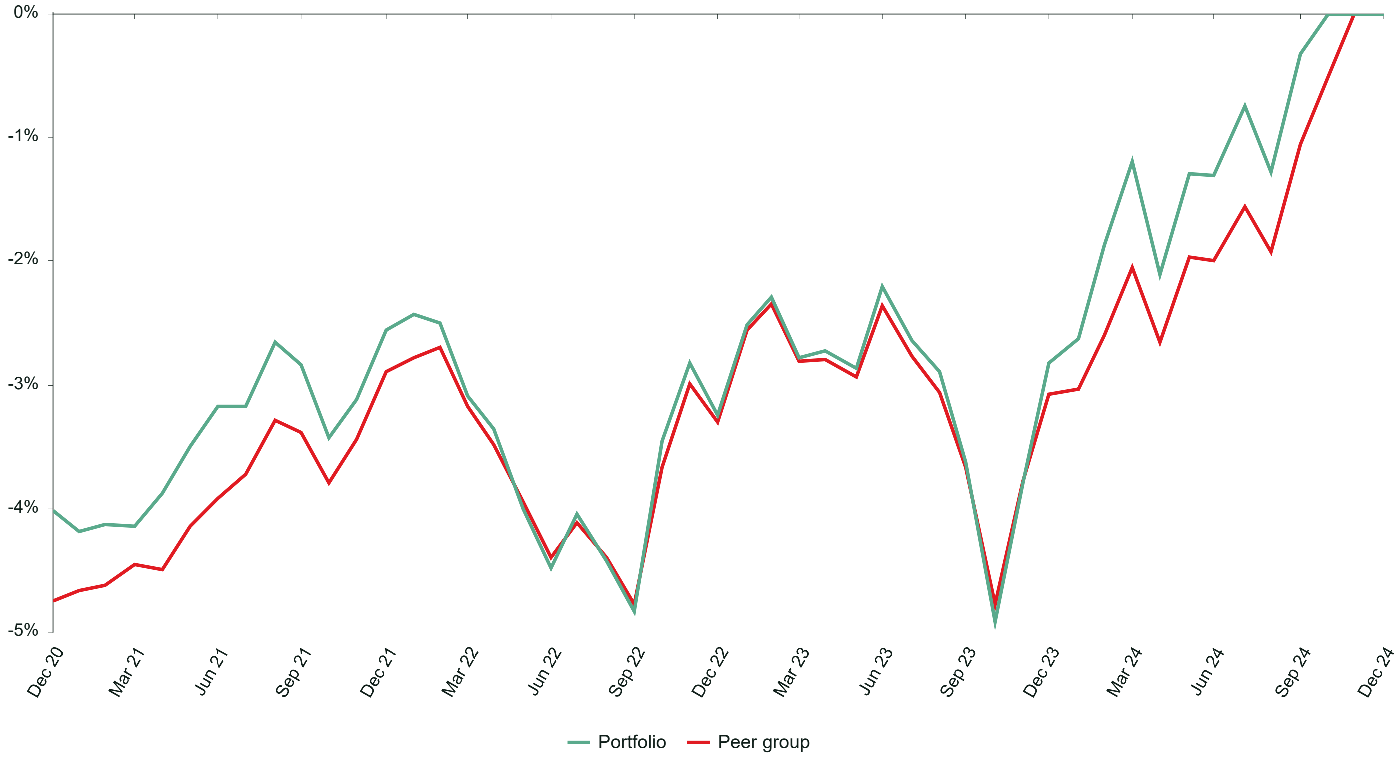
- Over the measurement period, the portfolio's annualised returns relative to its goal were mainly below its target due to the weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, however this reversed owing to the sell-off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

2.6.2 Risk

Rolling 1-year absolute drawdown over 10 years

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

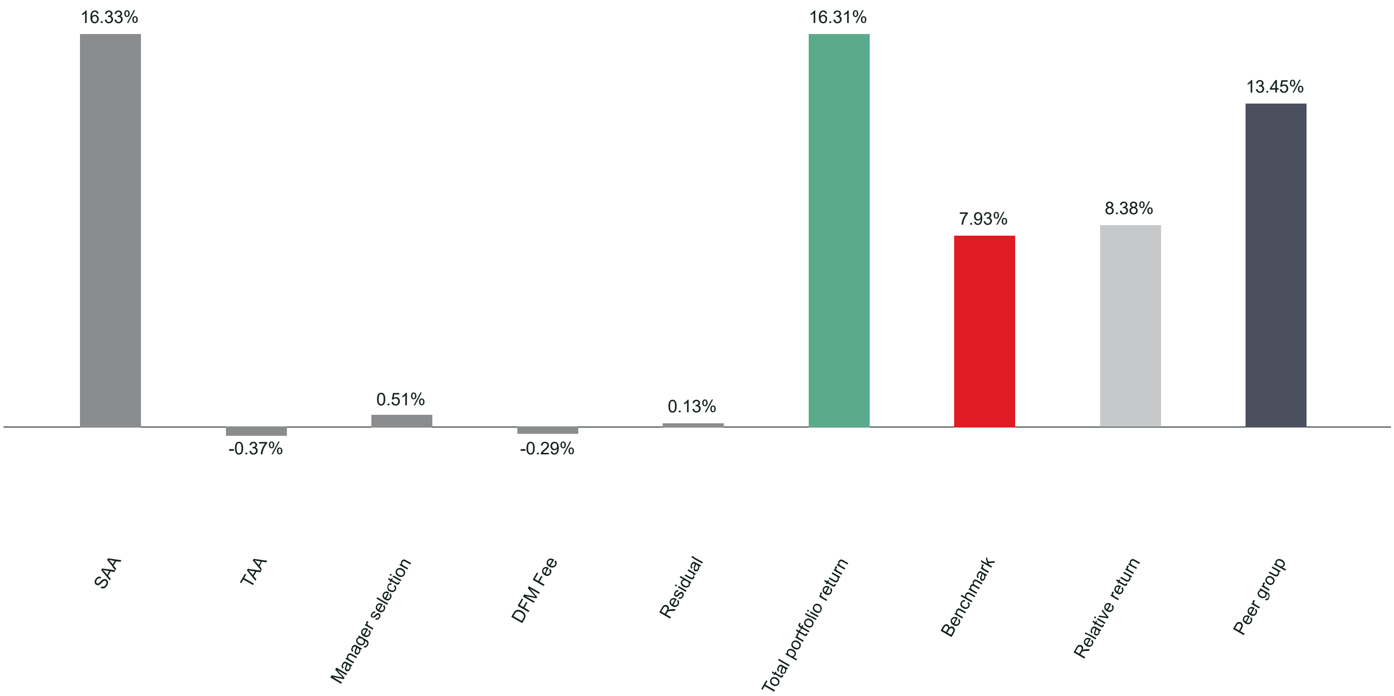
Rolling investment horizon absolute drawdown over 10 years



- The portfolio outperformed its benchmark and 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.

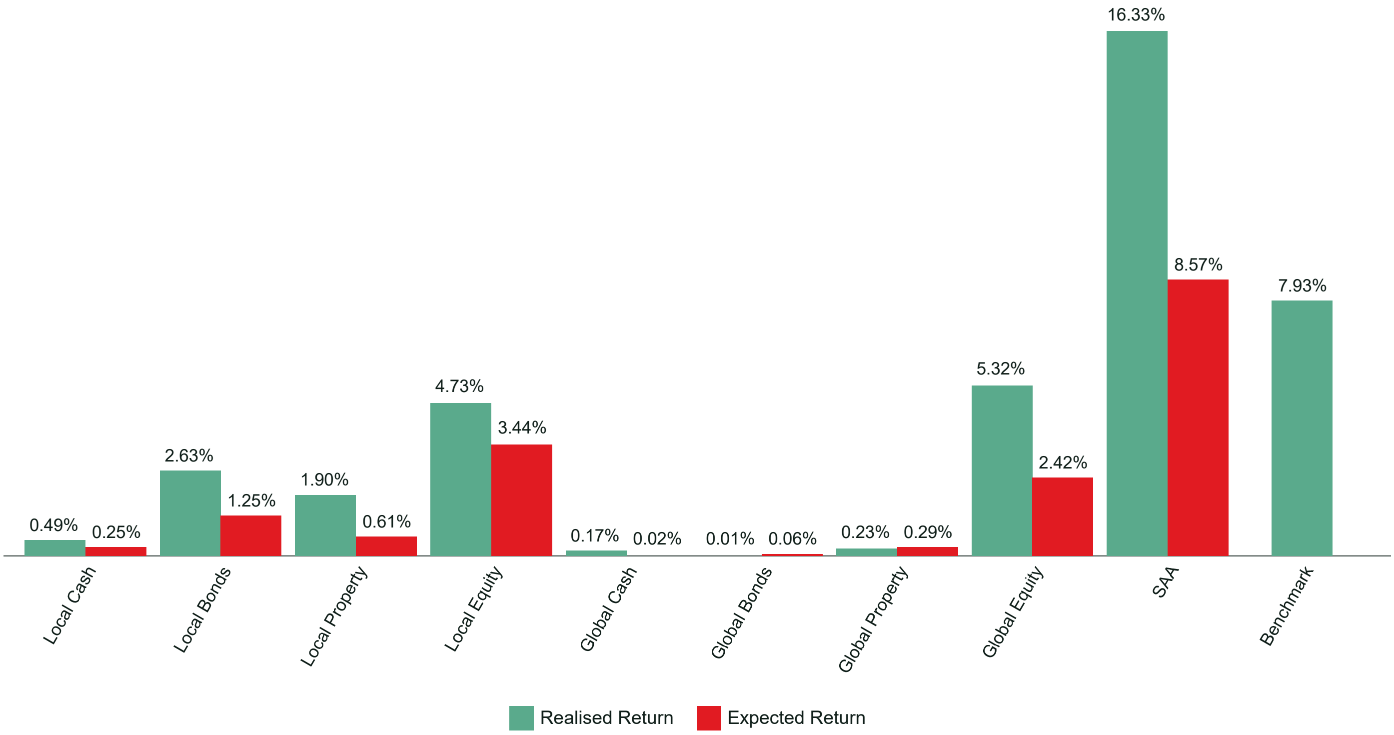
2.6.3 Performance attribution

Total return attribution over 12 months



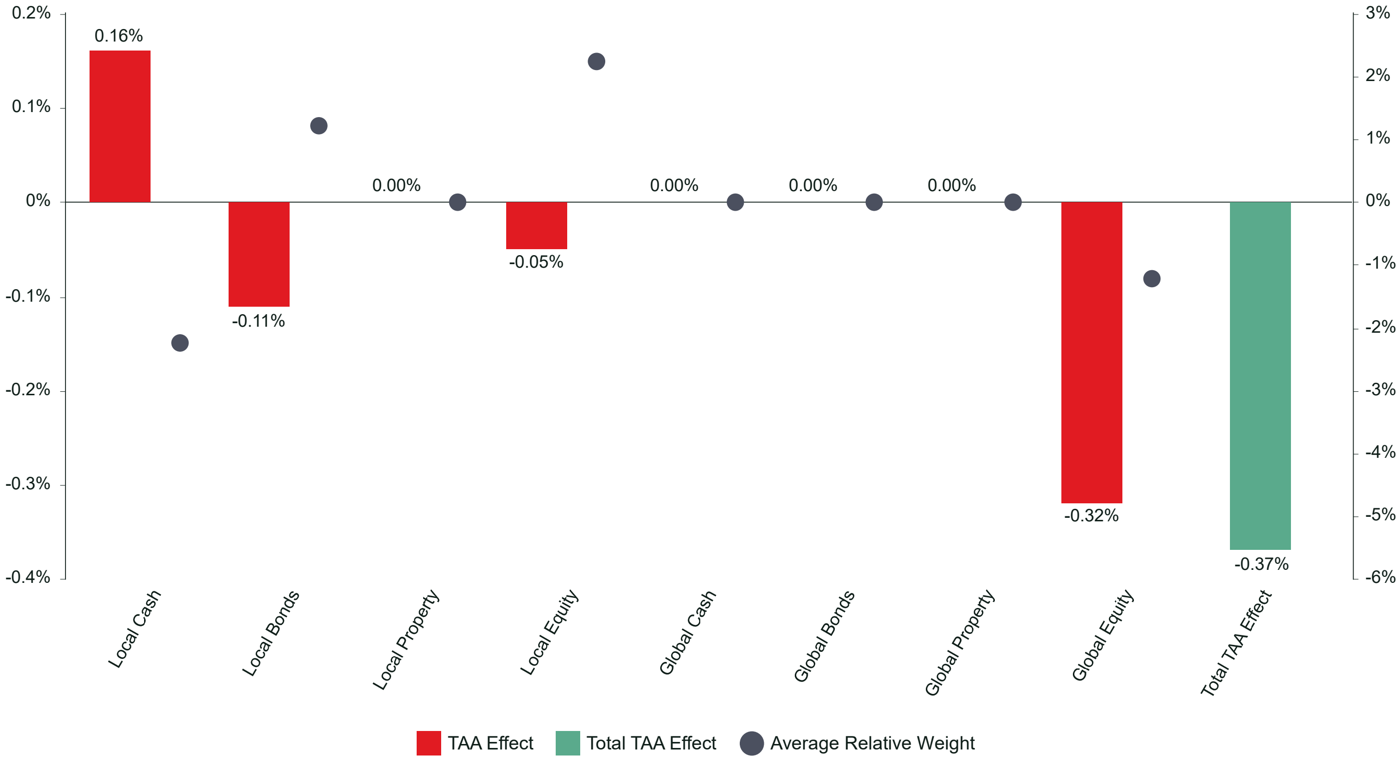
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



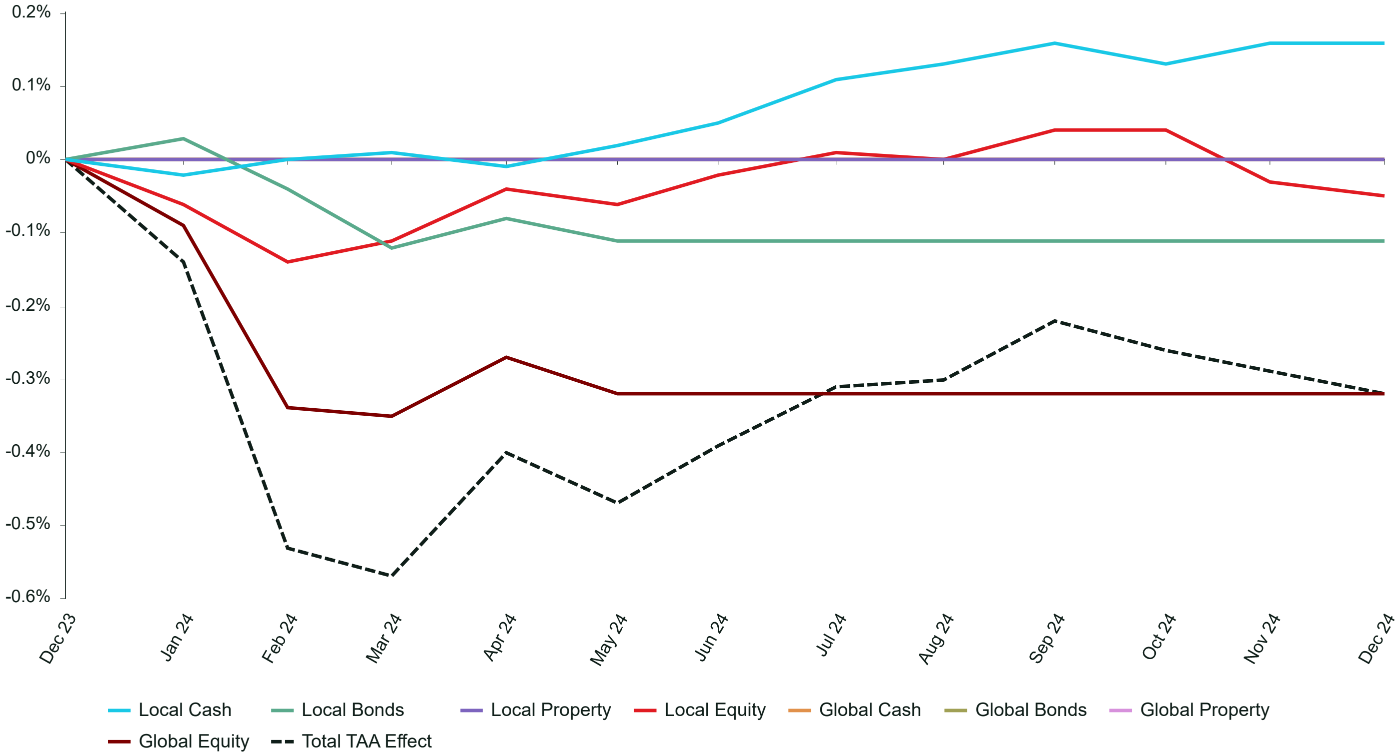
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term expectations.

Tactical asset allocation effects over 12 months

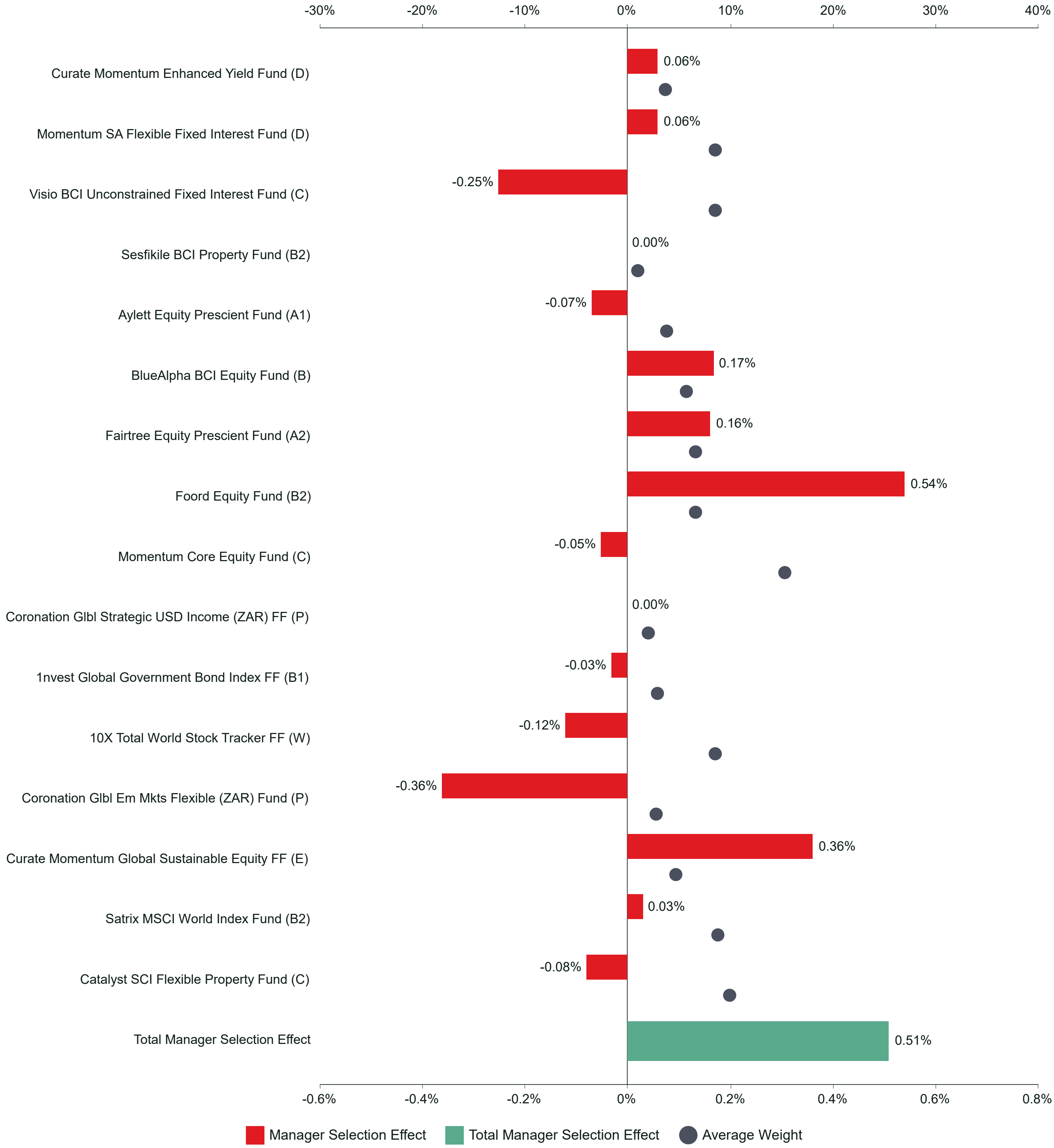


- The underweight position to local cash was the largest contributor to performance while the overweight position to local bonds and underweight position to global equity detracted over the last 12 months.

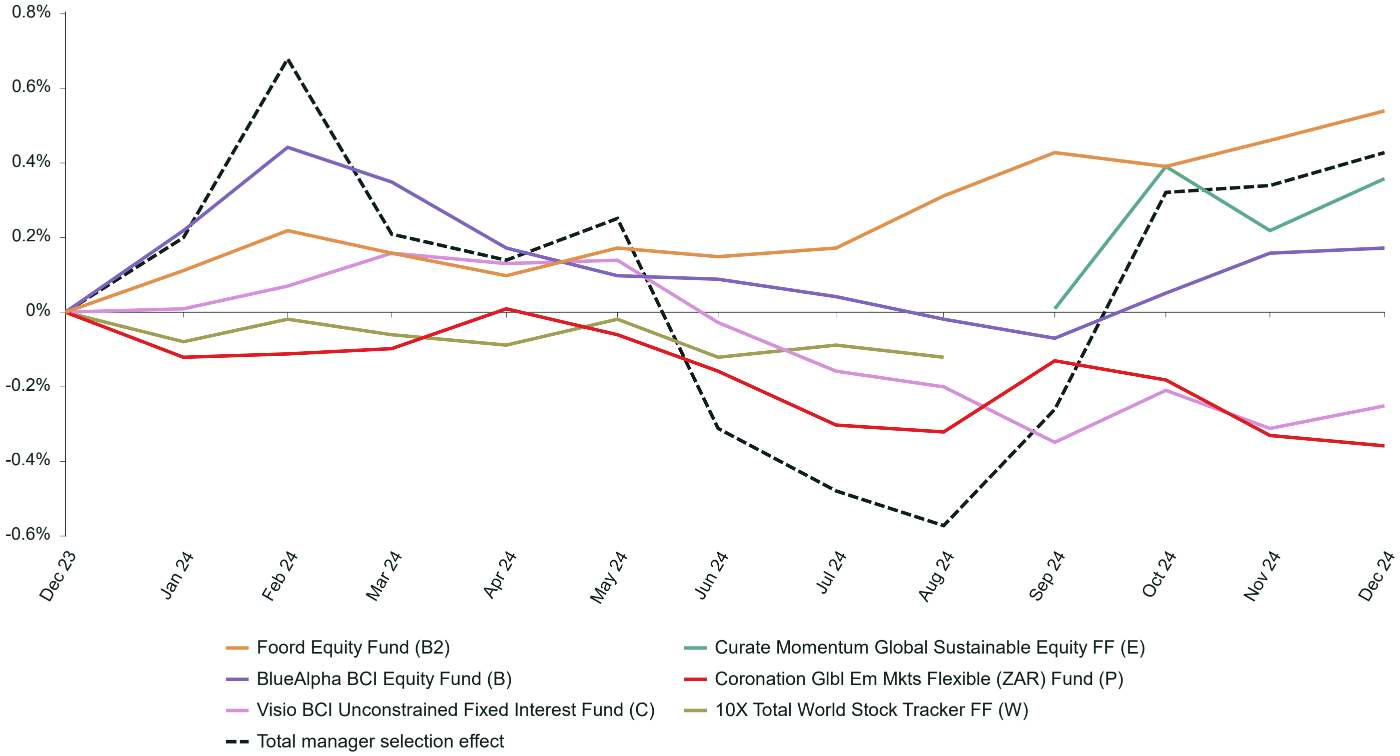
Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months



Cumulative manager selection effects over 12 months



2.7 Equilibrium Growth Portfolio

Data as at:	31 December 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

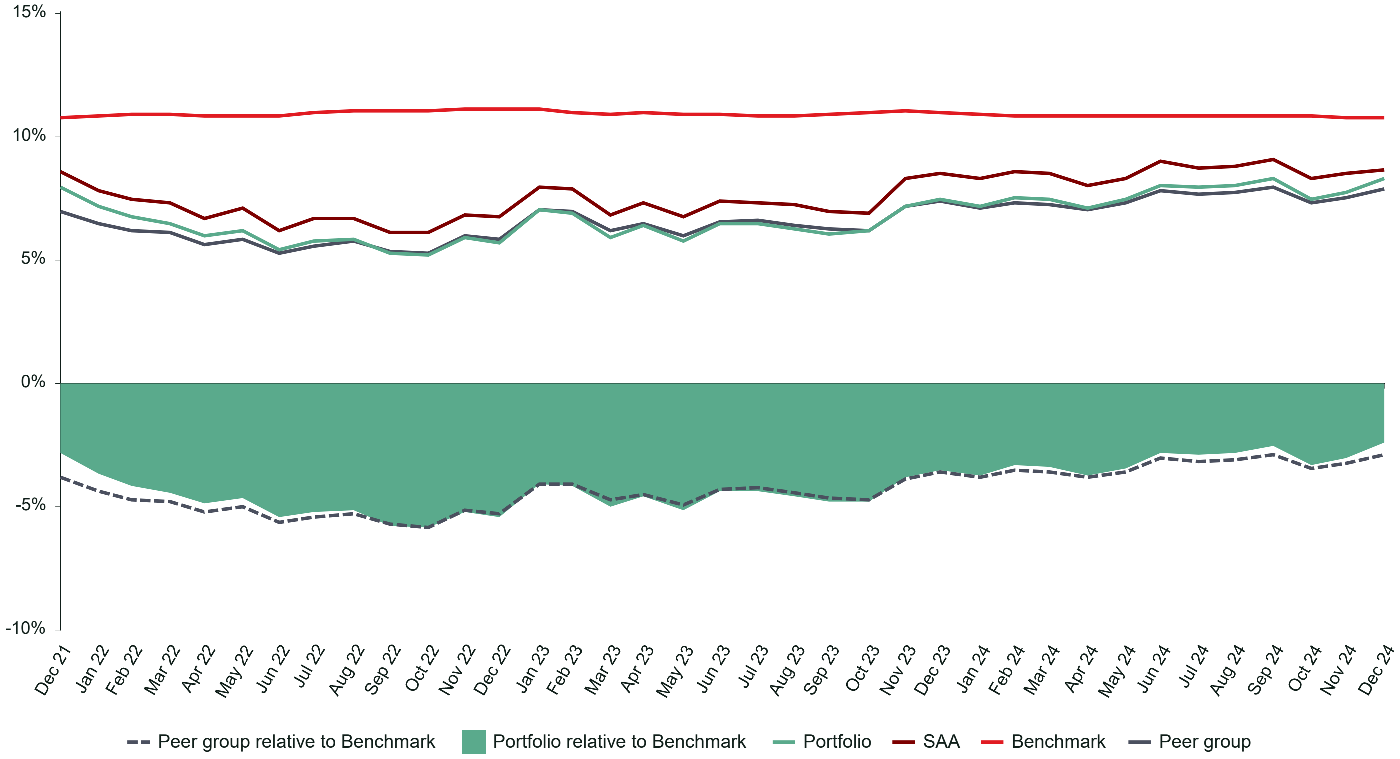
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**2.41%**	**10.12%**	**16.74%**	**9.34%**	**10.69%**	**8.32%**	**8.35%**	**8.86%**	**90**
Benchmark	1.47%	3.55%	8.93%	11.29%	10.89%	10.74%	10.92%	10.62%	
SAA	2.02%	9.27%	16.94%	9.94%	11.35%	8.67%	9.00%	9.68%	
Peer group	*1.46%*	*7.54%*	*13.45%*	*8.33%*	*9.98%*	*7.86%*	*7.38%*	*8.35%*	

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 2.42% p.a. over the 7-year period. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.2% 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%*

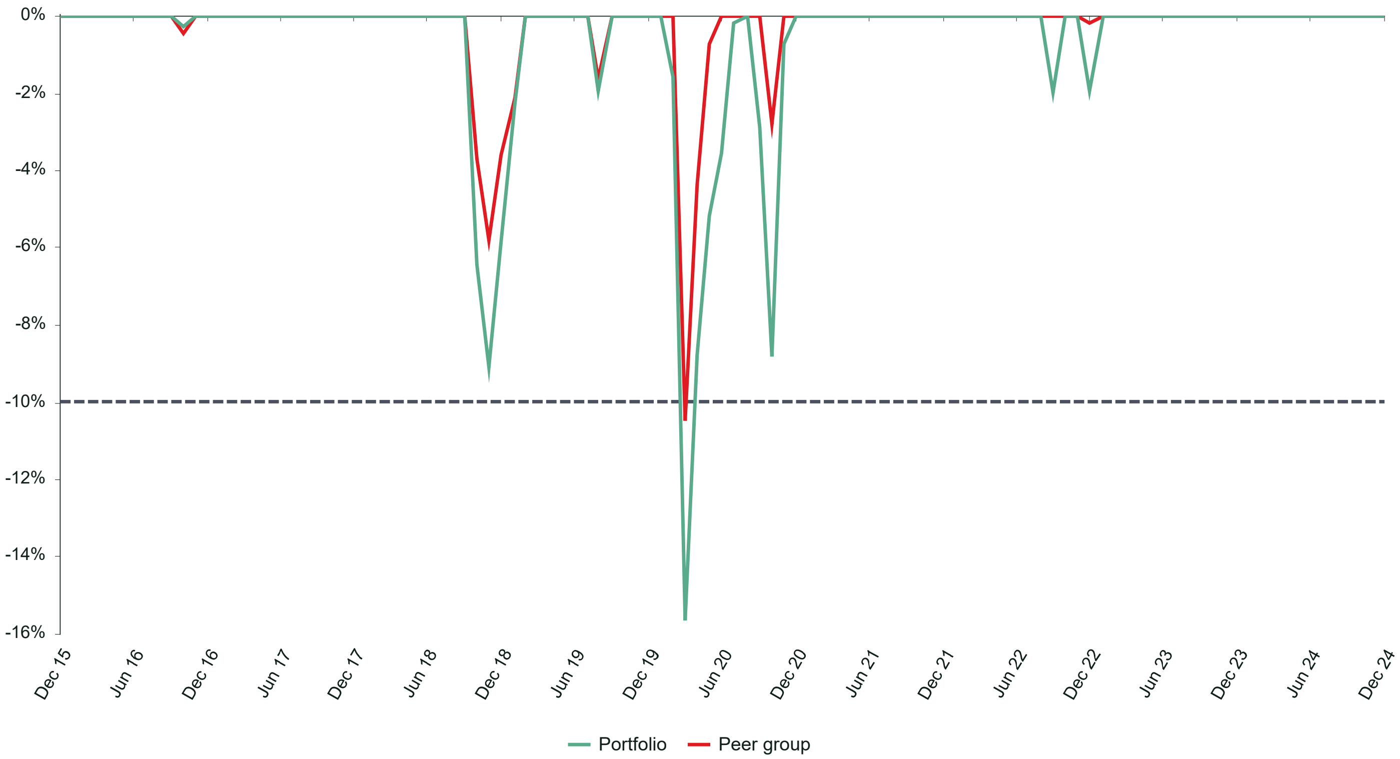
- Over the period, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

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.

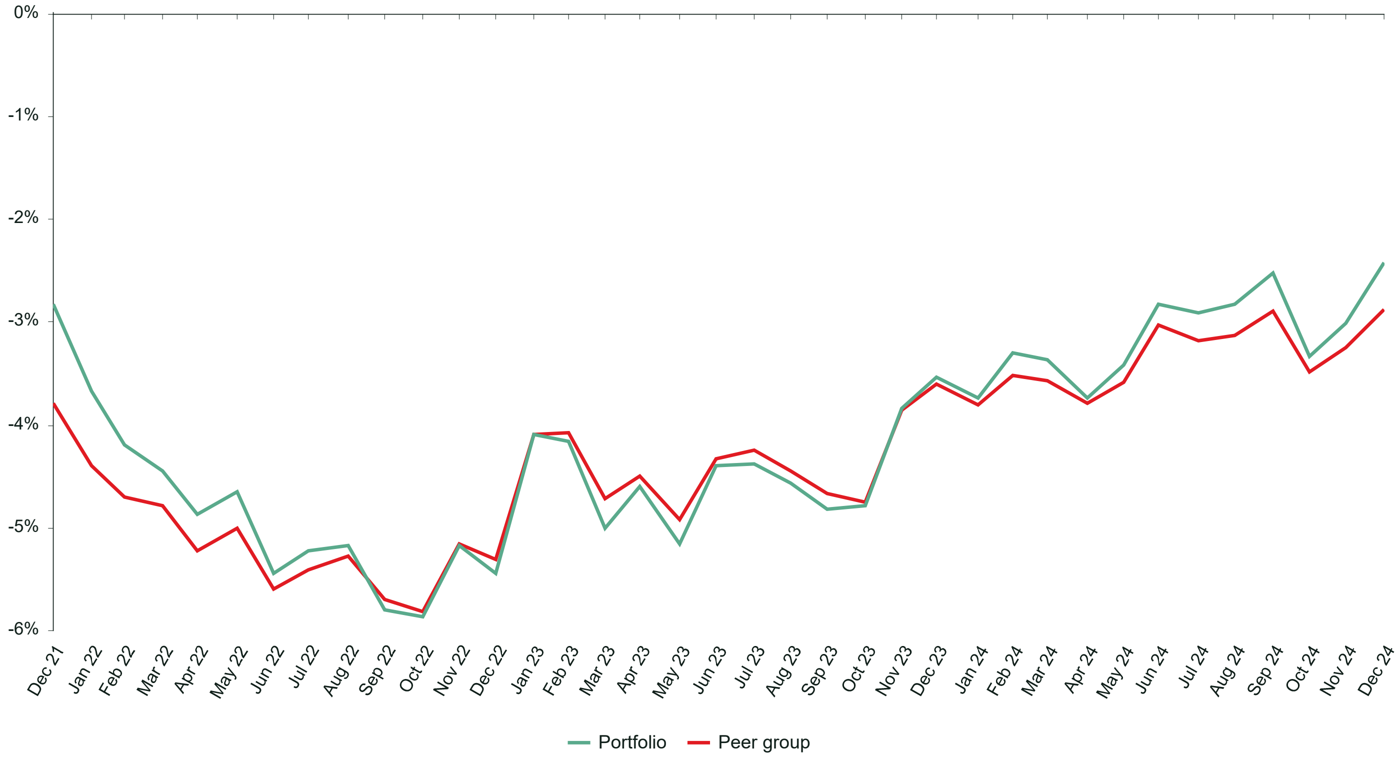
2.7.2 Risk

Rolling 1-year absolute drawdown over 10 years



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

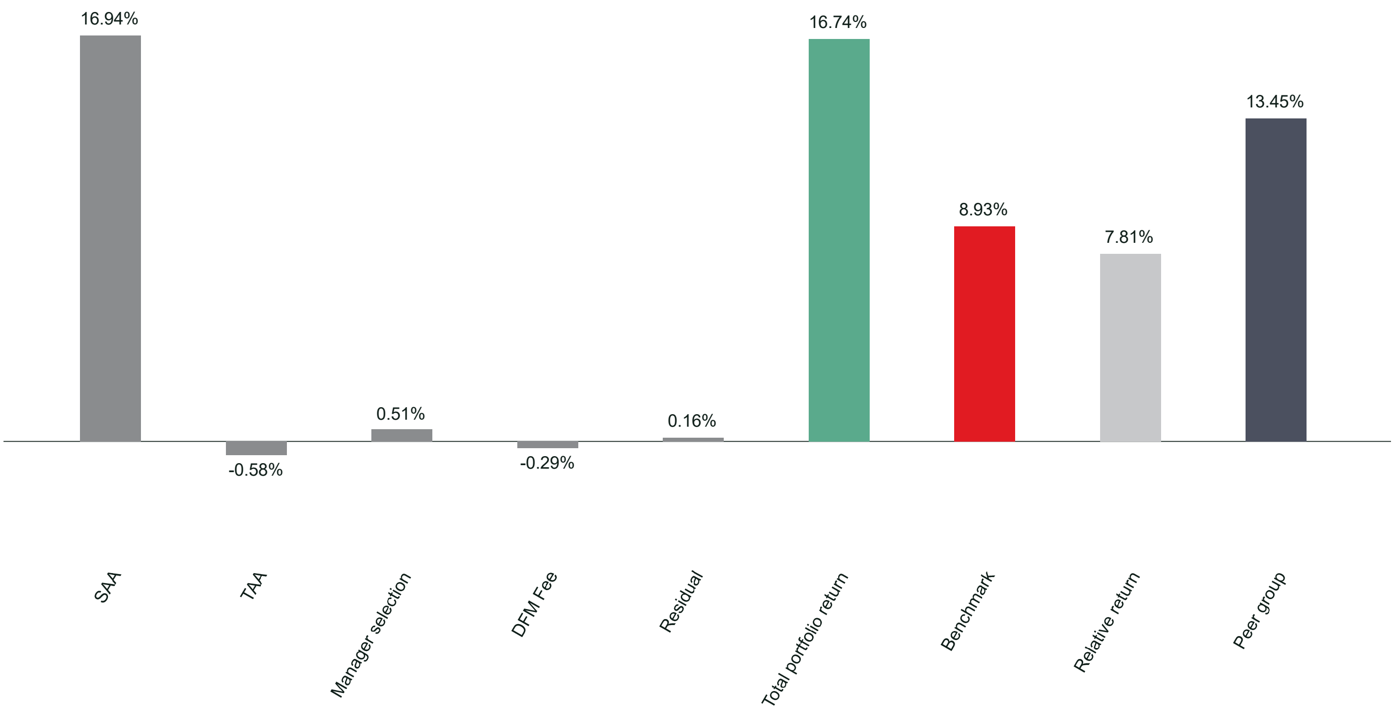
Rolling investment horizon absolute drawdown over 10 years



- The portfolio underperformed its benchmark and 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.

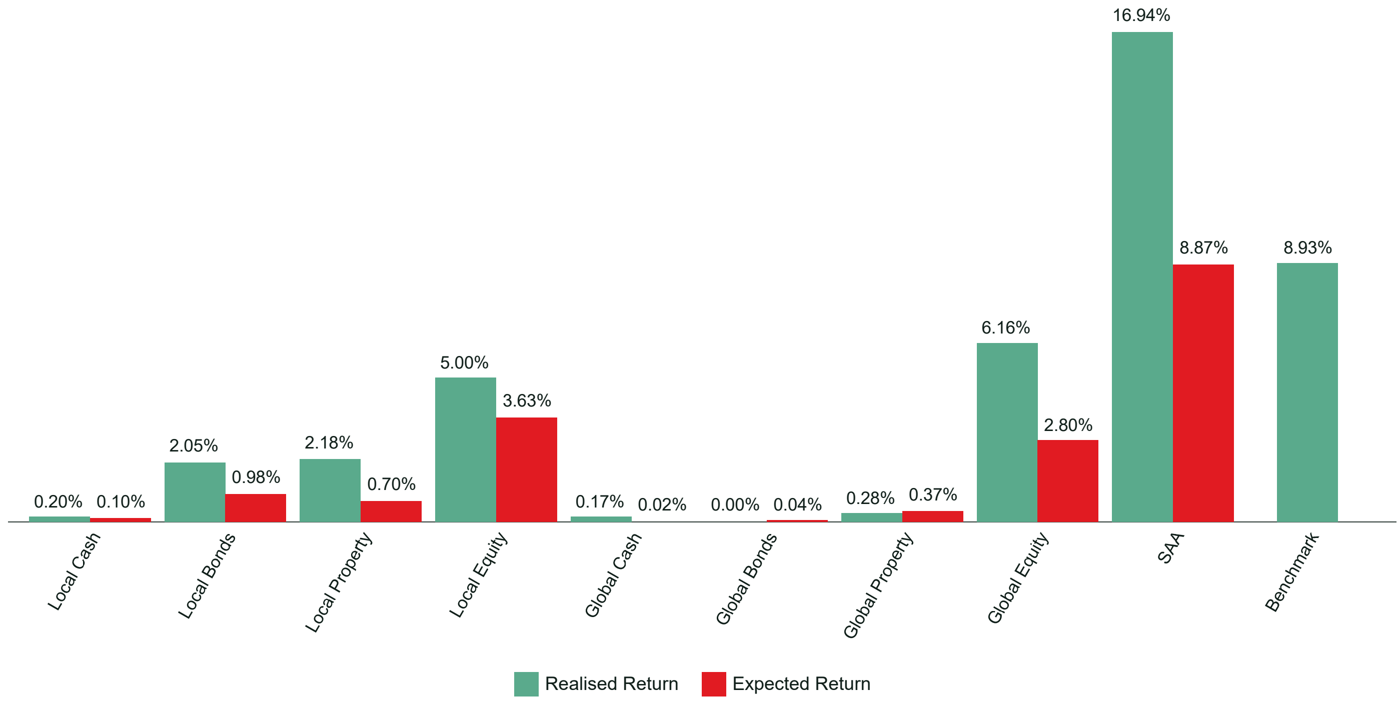
2.7.3 Performance attribution

Total return attribution over 12 months



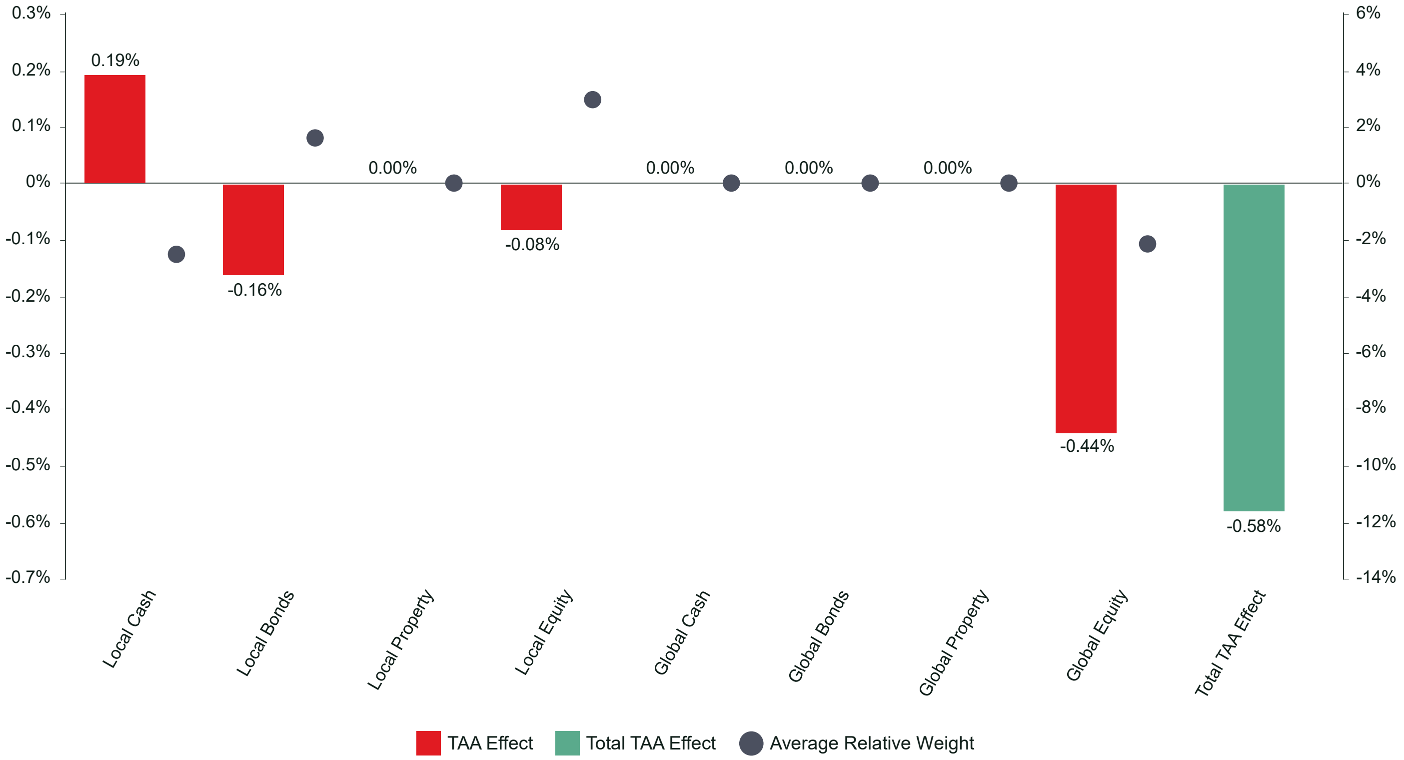
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



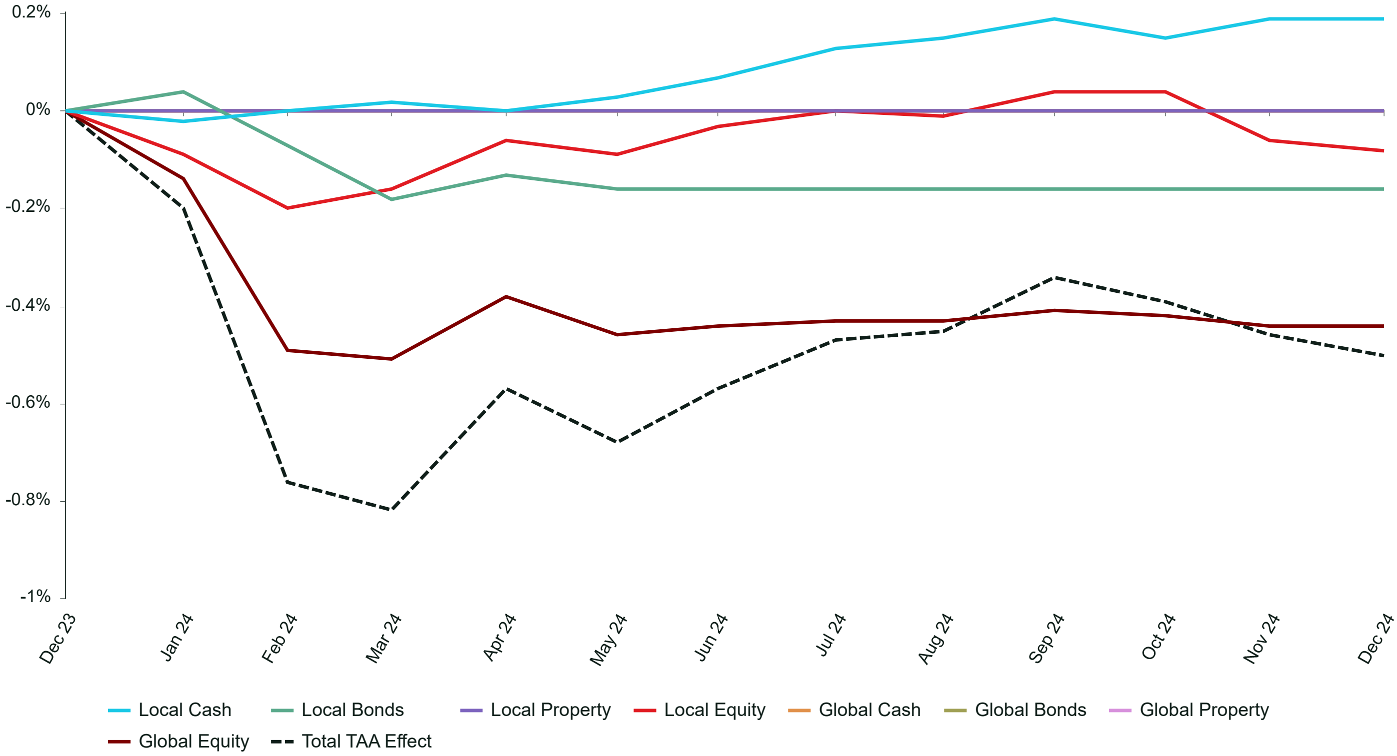
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term expectations.

Tactical asset allocation effects over 12 months

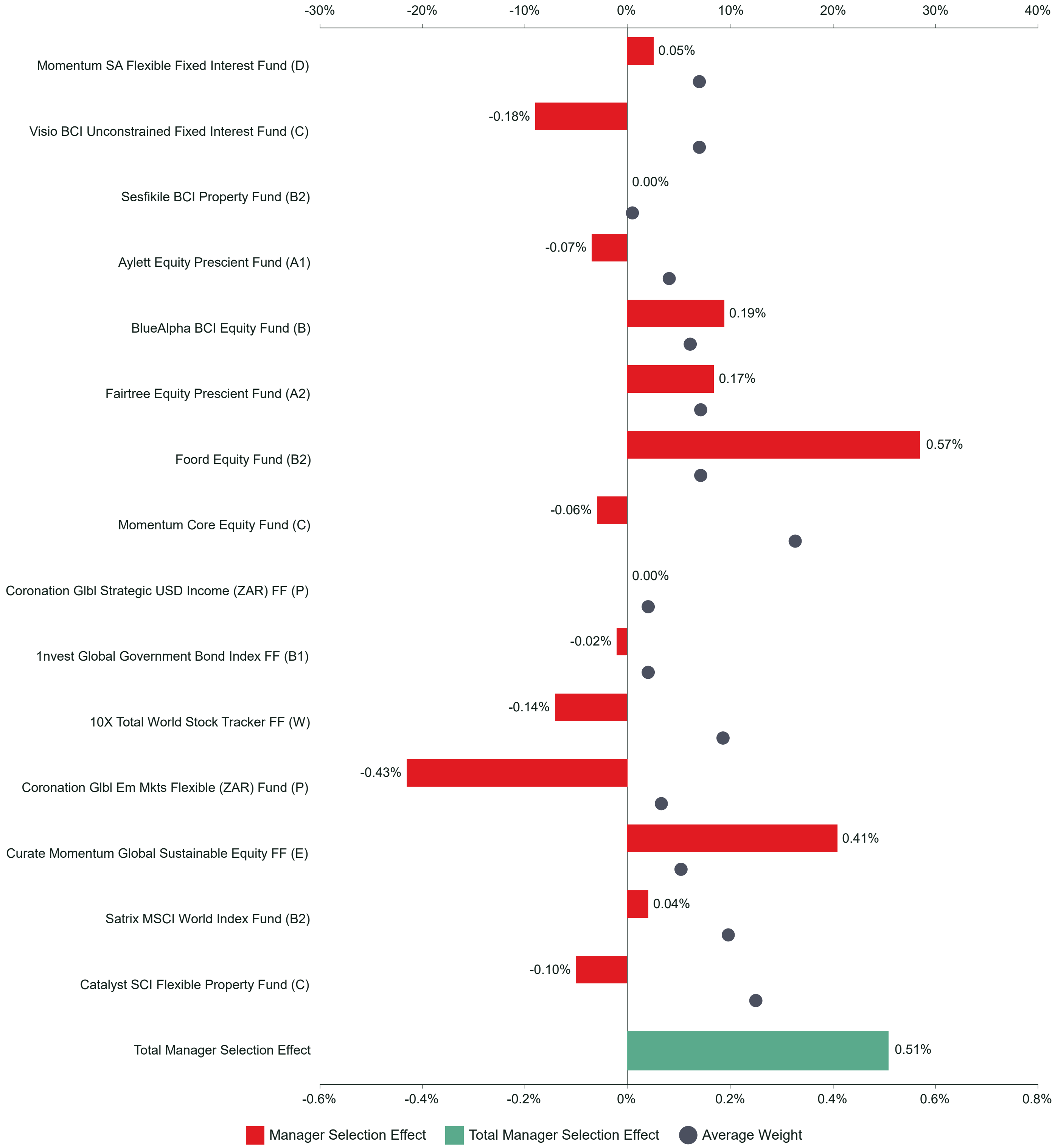


- The underweight position to local cash was the largest contributor to performance while the overweight position to local bonds and underweight position to global equity detracted over the last 12 months.

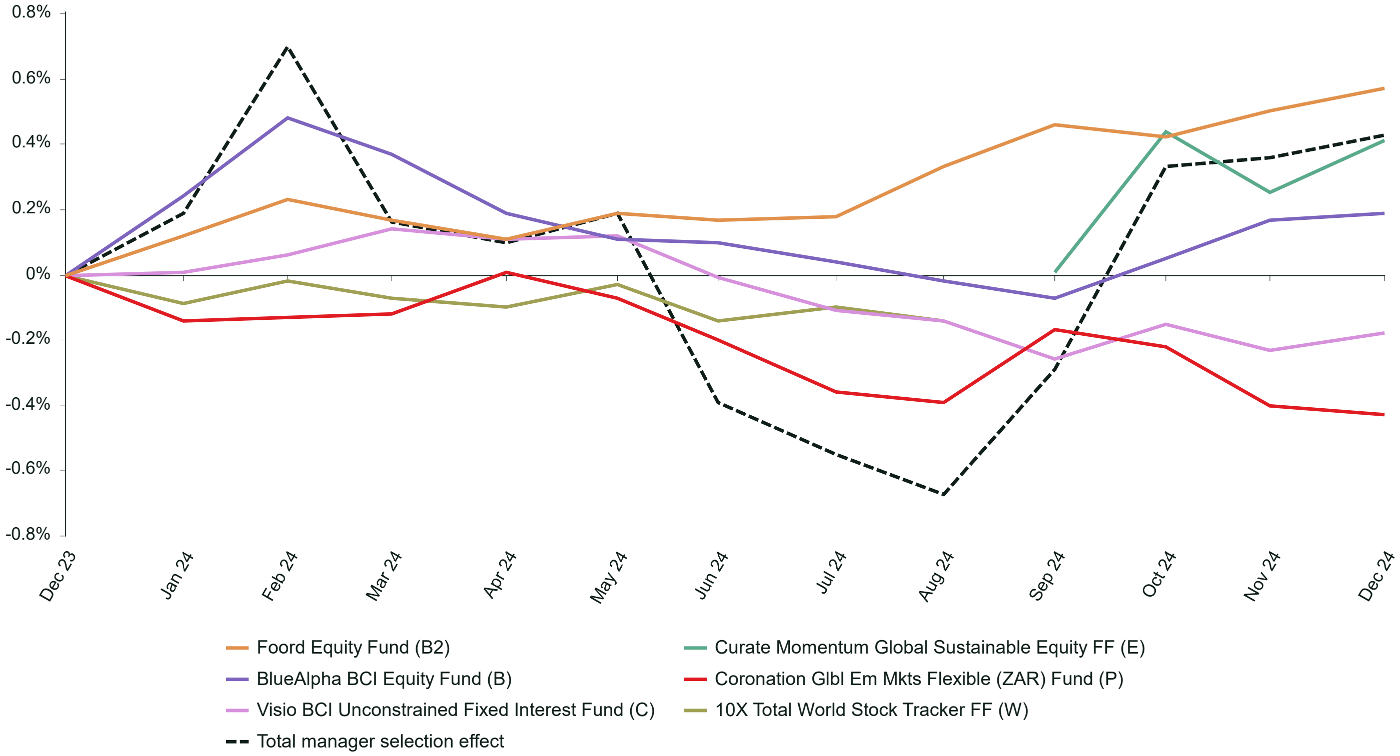
Cumulative tactical asset allocation effects over 12 months



Manager selection effects over 12 months



Cumulative manager selection effects over 12 months



2.8 Equilibrium Unconstrained Portfolio

Data as at:	31 December 2024	**Investment horizon:**	Seven years
Benchmark:	CPI + 6% over rolling 7-year periods	**Launch date:**	30 June 2017
Peer group:	(ASISA) Wwide MA Flexible	**Returns start date:**	30 June 2007

2.8.1 Returns

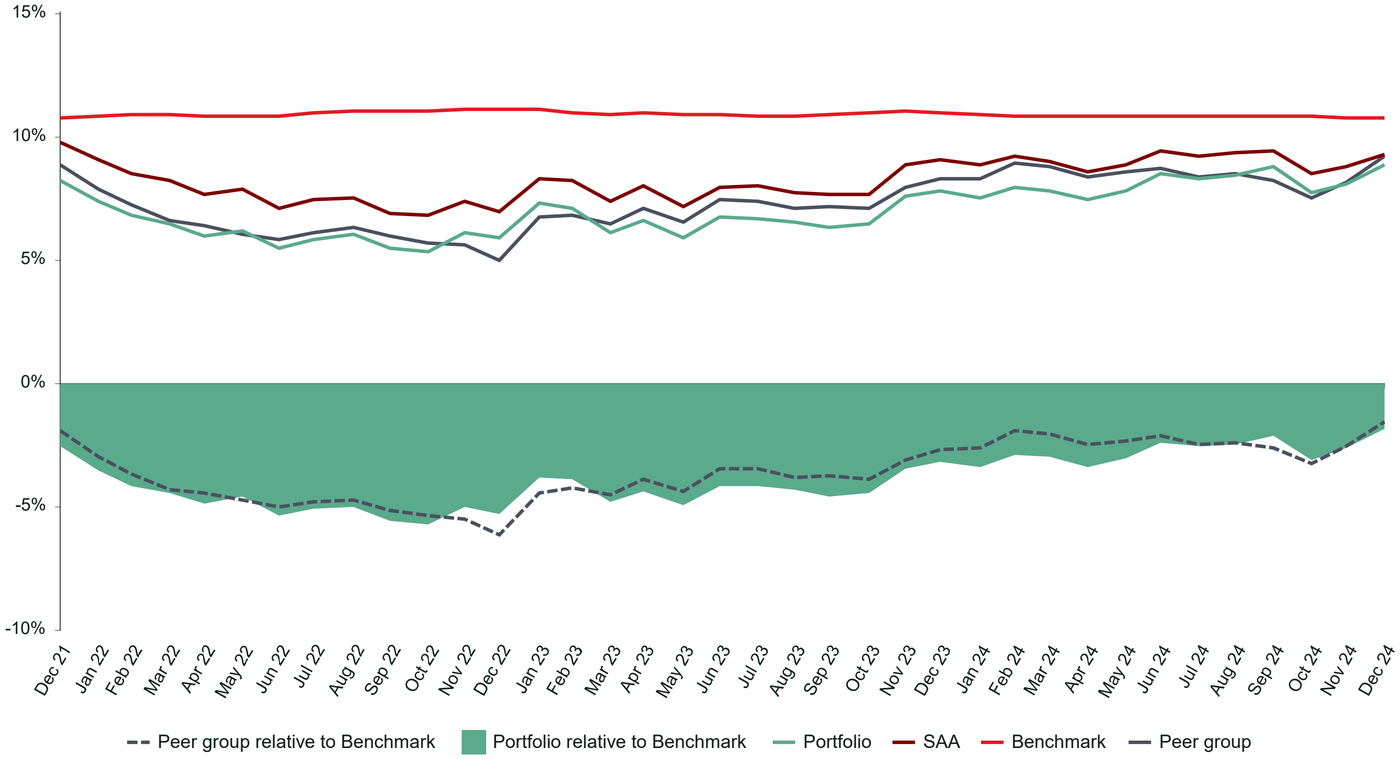
Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
Portfolio	**2.28%**	**10.13%**	**17.08%**	**9.25%**	**11.05%**	**8.89%**	**8.54%**	**9.29%**	**90**
Benchmark	1.47%	3.55%	8.93%	11.29%	10.89%	10.74%	10.92%	10.62%	
SAA	2.02%	9.27%	16.94%	9.77%	11.62%	9.31%	9.76%	10.10%	
Peer group	*4.95%*	*7.64%*	*14.31%*	*7.73%*	*10.59%*	*9.22%*	*8.54%*	*9.22%*	

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 underperformed its benchmark by 1.85% p.a. over the 7-year period. It also underperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.14% 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%*

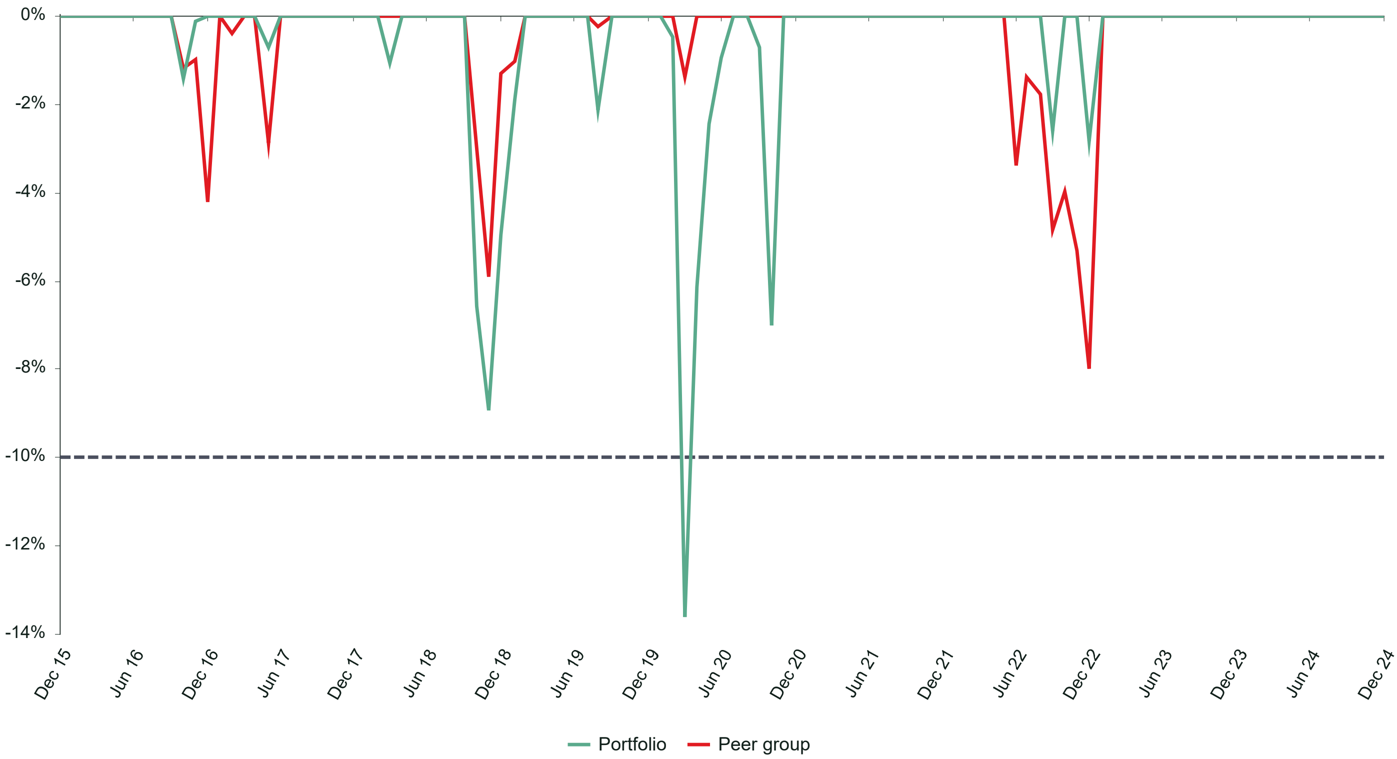
- Over the period, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

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



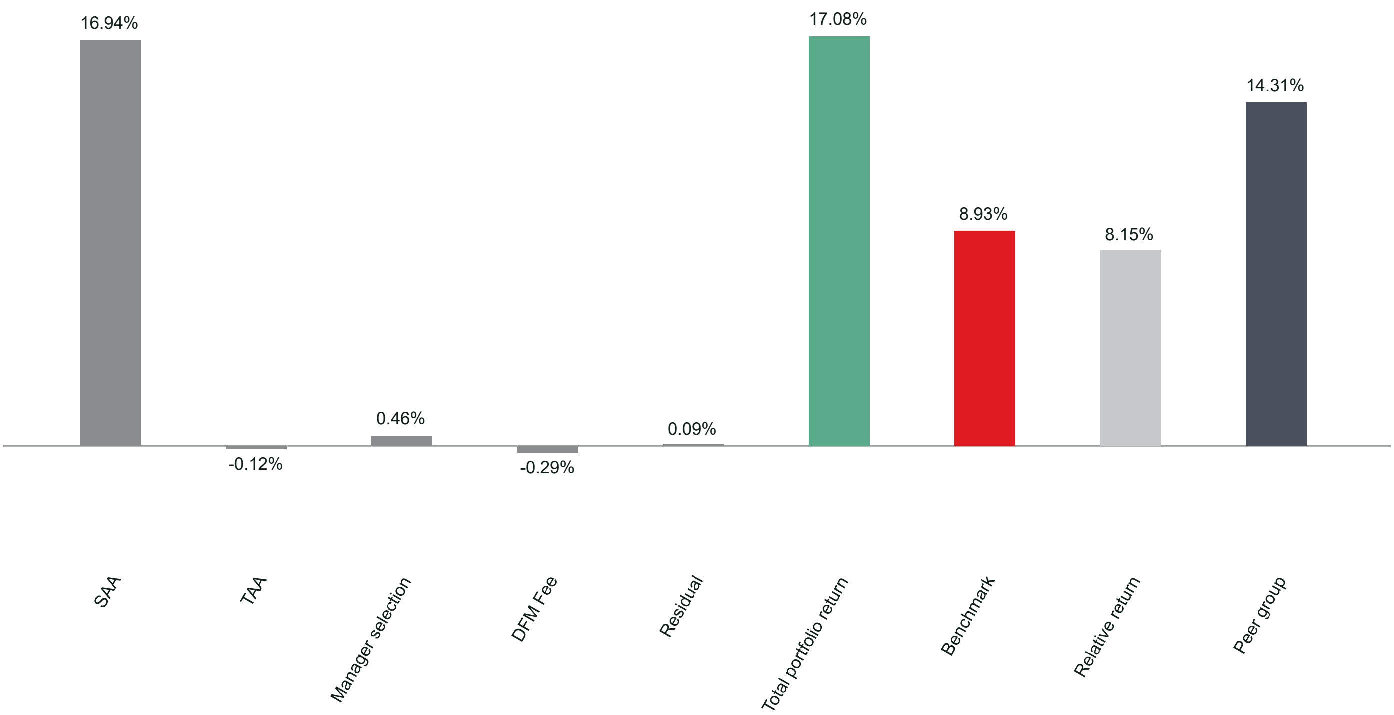
- The portfolio breached the acceptable drawdown level of 10% once.

Rolling investment horizon absolute drawdown over 10 years

- The portfolio underperformed its benchmark and peer group 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.

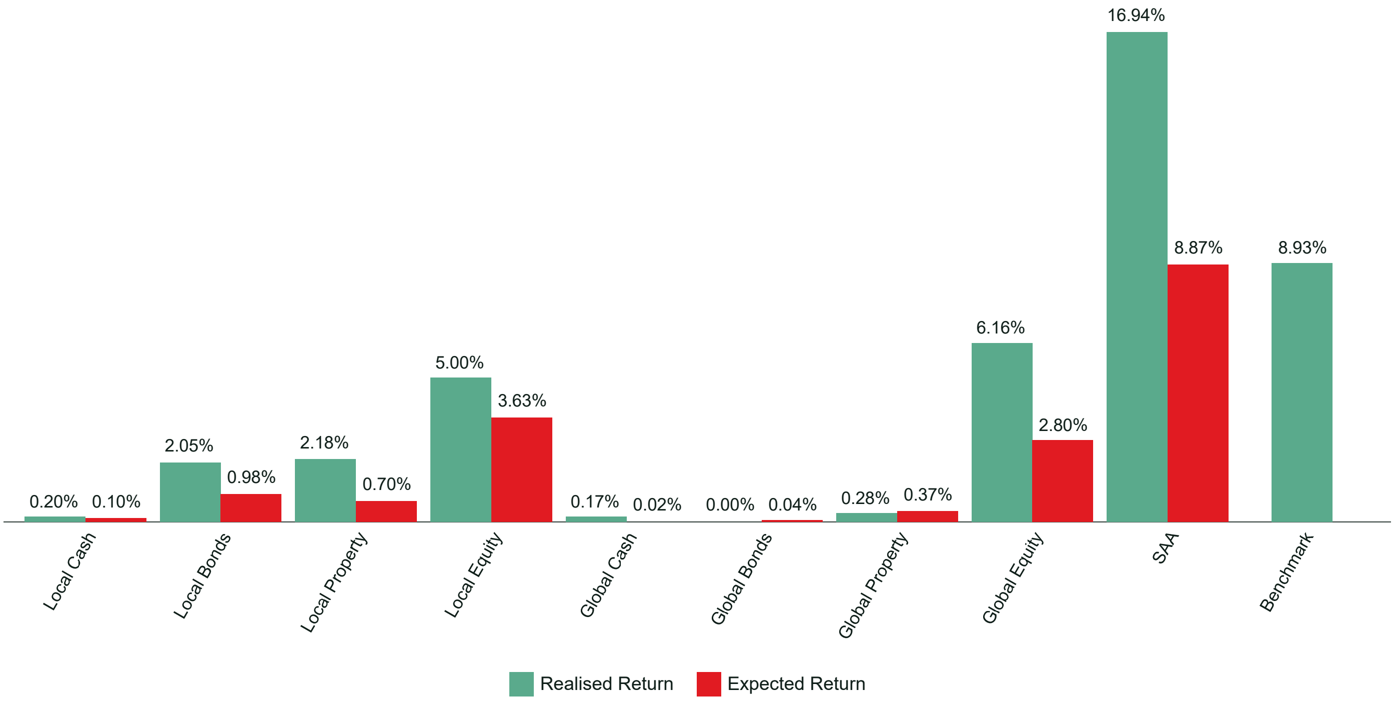
2.8.3 Performance attribution

Total return attribution over 12 months



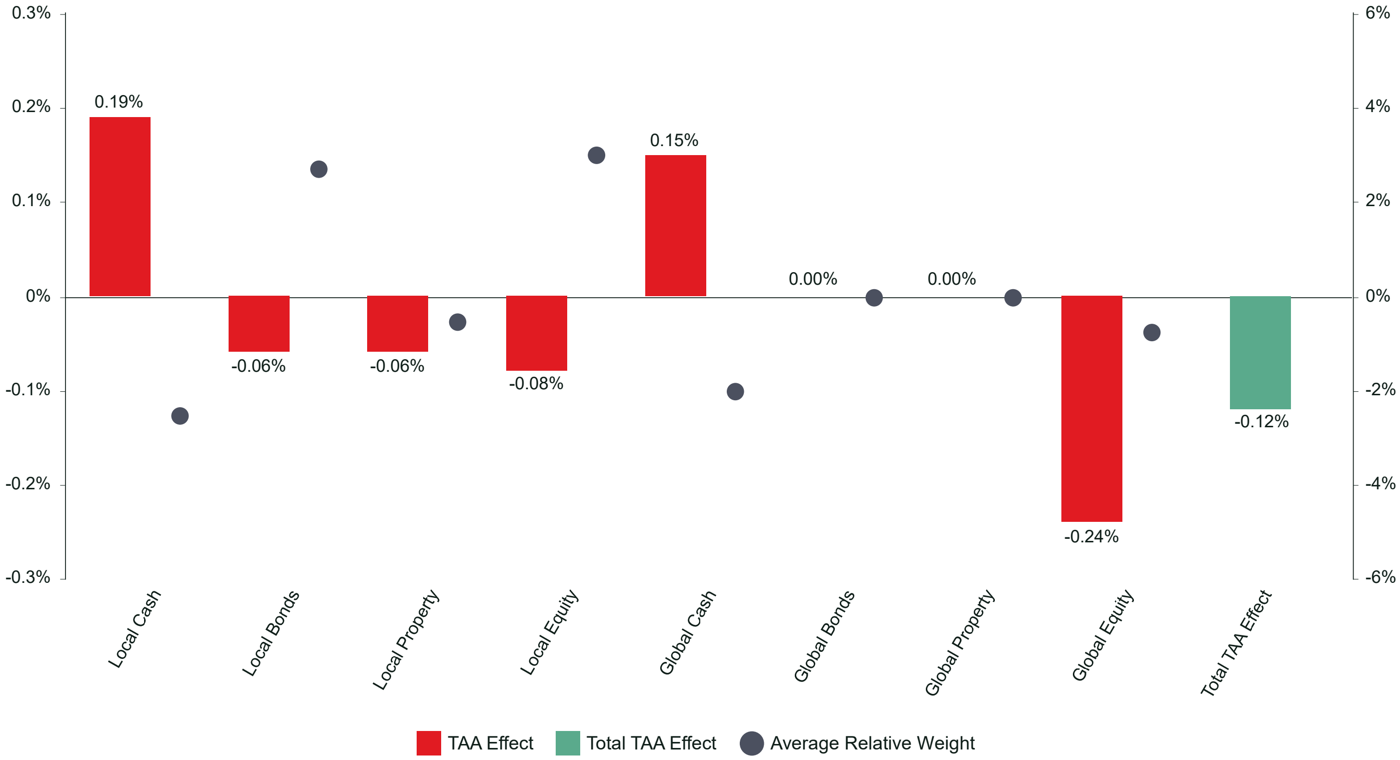
- Tactical asset allocation (TAA) detracted while manager selection contributed to the strategic asset allocation (SAA) return over the last 12 months.

Strategic asset allocation effects over 12 months



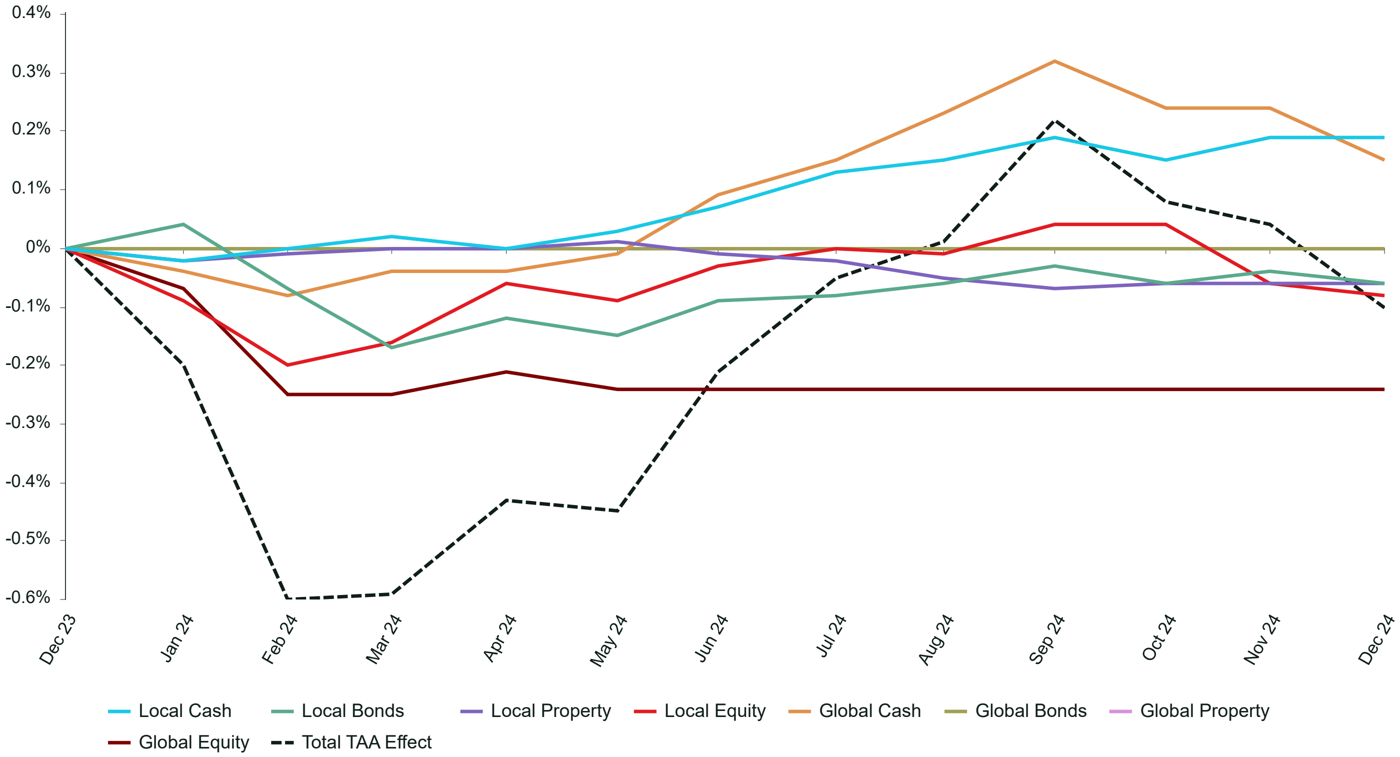
- Global equity continues to outperform long term expectations while local bonds, local property and local equity also outperformed our long-term expectations.

Tactical asset allocation effects over 12 months



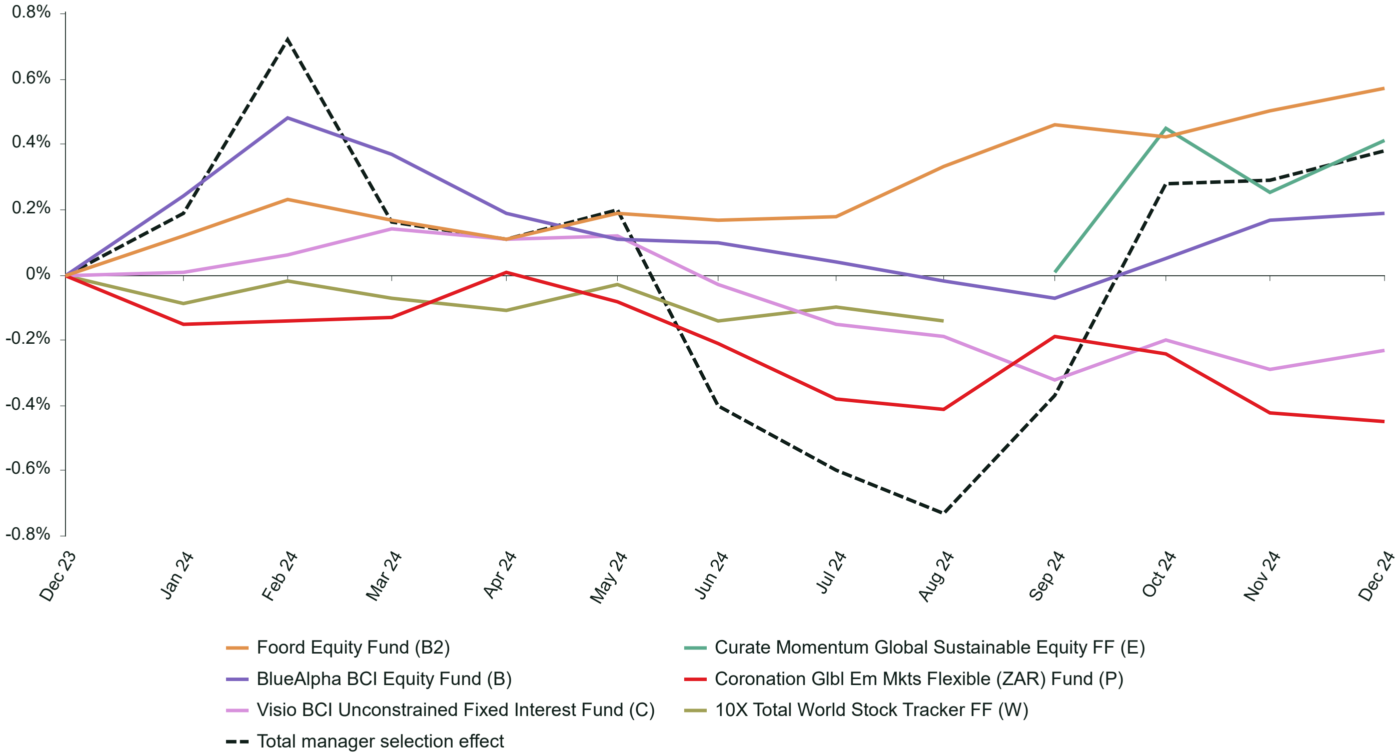
- The underweight positions to local and global cash were the largest contributors to performance while the overweight position to local equity and underweight position to global equity detracted over the last 12 months.

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

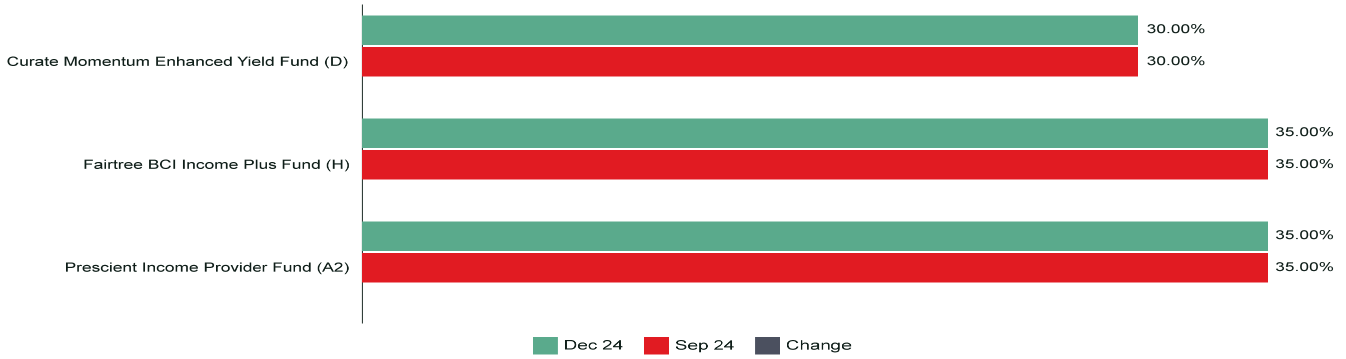
Asset Class	Q3 2024	Q4 2024
Local		
Local Cash		Neutral to Underweight
Local Bonds	Neutral	Neutral
Local Property	Neutral	Neutral to Underweight
Local Equity	Neutral to Overweight	Neutral to Overweight
Global		
Global Cash	Neutral	Neutral
Global Bonds	Neutral	Neutral
Global Property	Neutral	Neutral
Global Equity	Neutral	Neutral

4.2 House view summary

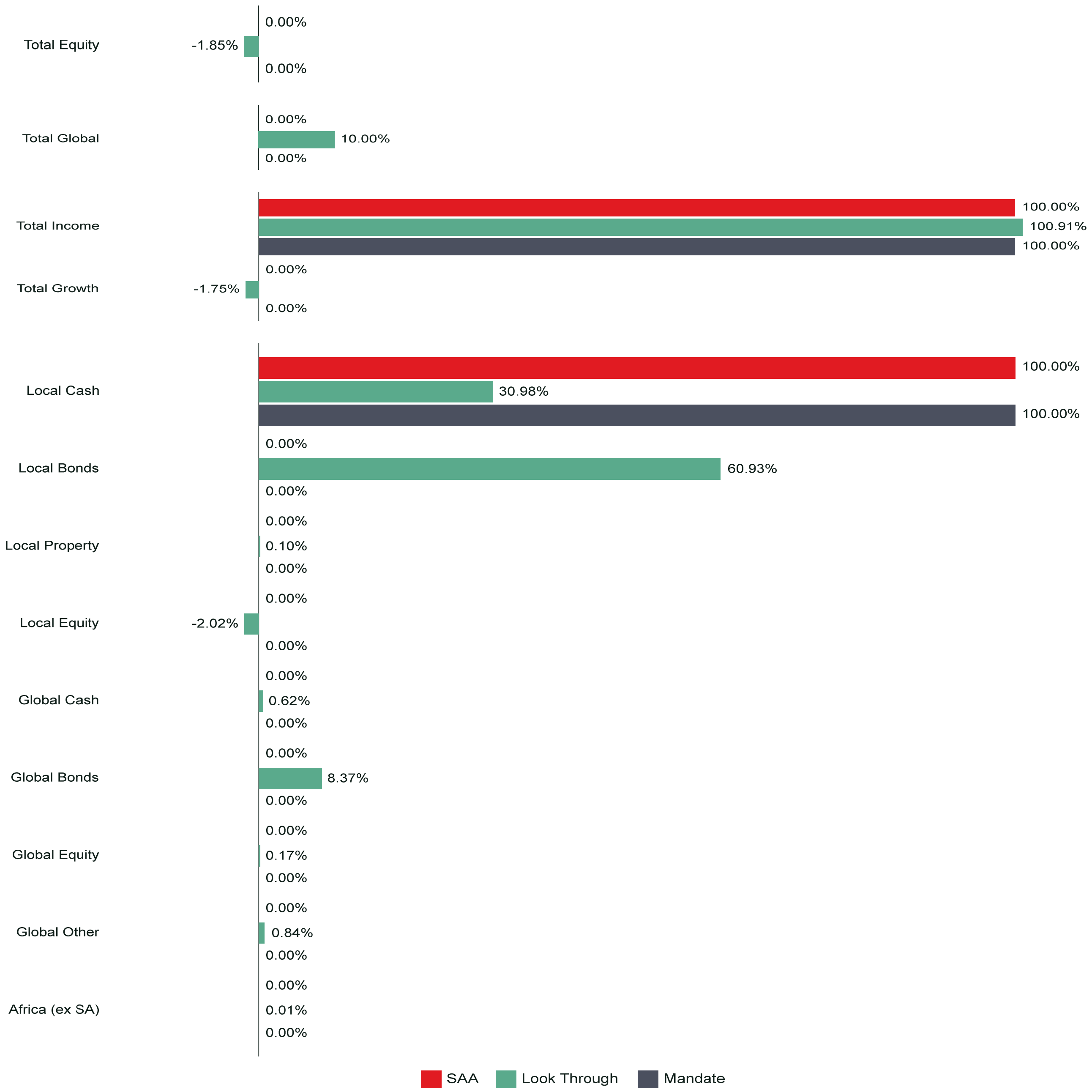
What we expect will happen in the year ahead…					
Growth	**Inflation**	**Currency**	**Interest rates**	**Cash**	**Government bonds**
An unexpected political alliance has sparked hope for economic rejuvenation in the local economy. The potential for structural reforms under a second term of Operation Vulindlela and increased investor confidence further enhance this optimistic outlook and could help shelter SA from negative global political developments. Support for parties within the GNU has increased but there is room for disappointment should reform momentum slip.	Demand-pull inflation and wage growth are expected to remain relatively contained, limiting second- round or persistent inflation pressures from taking hold in the local economy. Despite inflation likely to average close to the inflation target for 2025, upside risks to the inflation trajectory prevail. These include upside threats from a weaker exchange rate, administered prices, higher international oil prices and a potentially more restrictive global trade environment.	Much of the rand's strength until October 2024 was driven by positive sentiment associated with the formation of a GNU, leading to outperformance relative to other commodity-related currencies and a basket of emerging market (EM) peers. However, the paring back of interest rate expectations following inflation concerns and fears over fiscal risks under Trump's second term have placed EM assets, including the rand on the backfoot.	A moderated inflation outlook and stable inflation expectations create an opportunity to lower interest rates from the current restrictive territory. Larger interest rate cuts or easing aggressively beyond neutral are nevertheless unlikely given continued upside inflation threats including administered prices, the oil price due to geopolitical pressures, the local currency and potential tariffs under a new US administration.	The prospective SA real cash yield has stabilised around 0.8 standard deviations above its historical average. Based on our expectation that inflation is likely to average around 4% in the coming year, SA cash currently offers an attractive prospective real yield to investors, particularly on a risk-adjusted basis.	SA vanilla government bonds continue to offer very attractive real yields based on the most recent inflation releases, particularly against developed market (DM) bond markets, but also within the EM bond peer group. On a forward-looking inflation basis, SA real bond yields are now more than one standard deviation higher than their historical average since the introduction of the inflation targeting regime.
ILBs	**Listed property**	**Equities**	**Global equities**	**Global bonds**	**Global cash**
SA ILBs should receive fundamental support from the anticipated rising inflation trend from the likely low of 2.8% in October 2024 until late 2025, with monthly accruals somewhat higher in the next year. This should lead to a general widening of breakeven yields during this time.	Among the local asset classes, it is only in the listed property space where there are currently conflicting fundamental and valuation signals which make us circumspect about the risk-reward available to investors in this asset class. The recent re-rating in share prices has pushed counters in the sector to now trade at significant premiums to their historical averages.	Local growth fundamentals are tailwinds for SA equities. Even after a significant rally since March 2024, SA equities still trade at large valuation discounts compared to the rest of the world and its history. Assuming a conservative 19% earnings growth in the next year, the SA equity market is now one-half of a standard deviation cheap against the average since 1999. Moreover, the SA equity market remains under-owned.	For as long as the current positive correlation of economic surprises with US equity prices holds and a strong US economic growth narrative continues, there should be support for higher equity markets via positive profit expectations. Historically, US equities have performed well during US rate-cutting cycles that were not associated with recessions. However, challenging valuations will possibly constrain future returns.	A reflationary Trump policy mix together with above-potential growth in the US, increases the risk of economic overheating and inflation staying above the 2% inflation target—this would be unambiguously negative for US bonds. Furthermore, the negative fiscal ramifications of the proposed policies are also likely to be detrimental to the US bond market. These negative bond fundamentals could keep bond valuations cheap versus equities.	At the start of a rate-cutting cycle, US cash exposure is 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

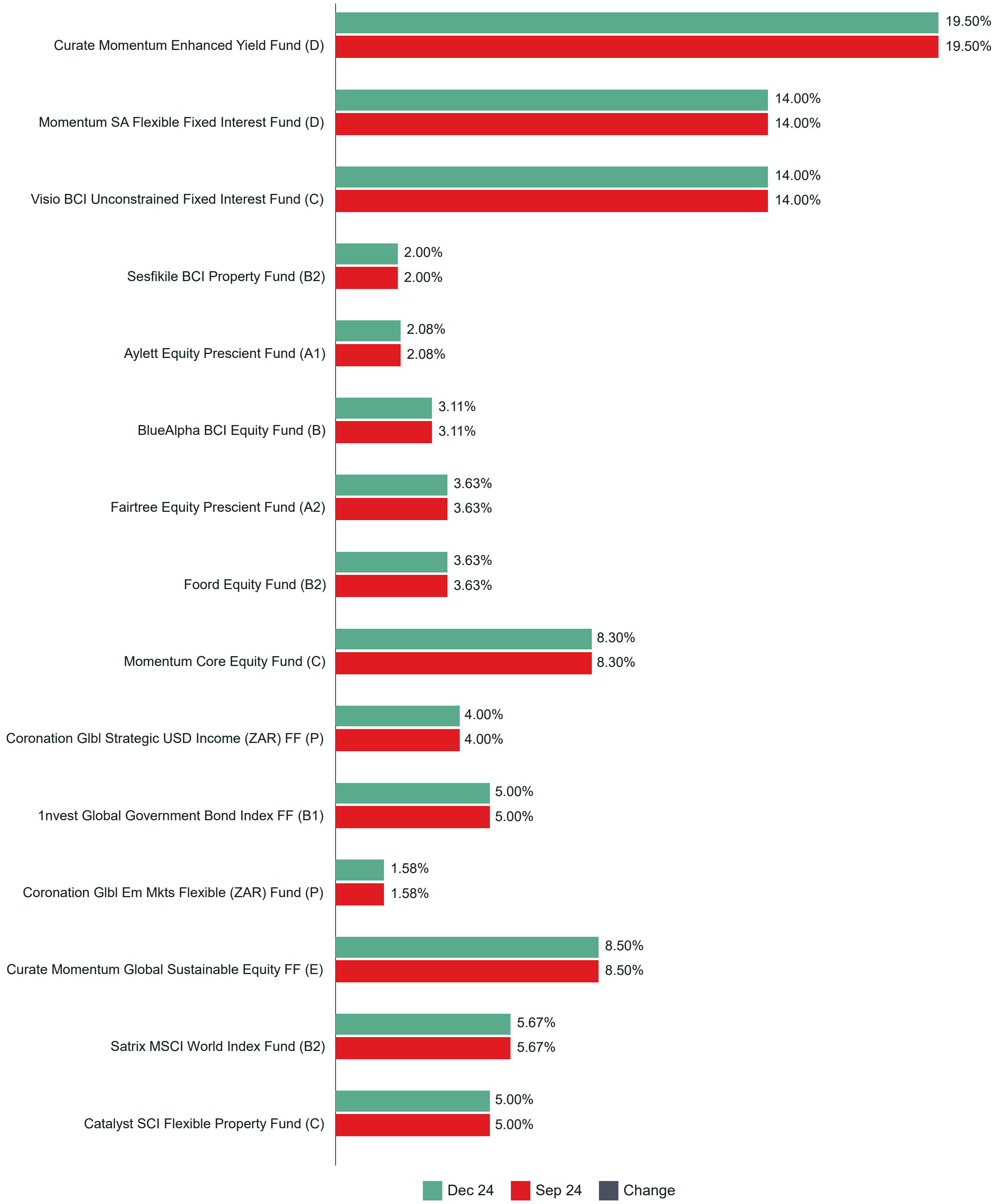


4.3.3 Portfolio changes/recommendations

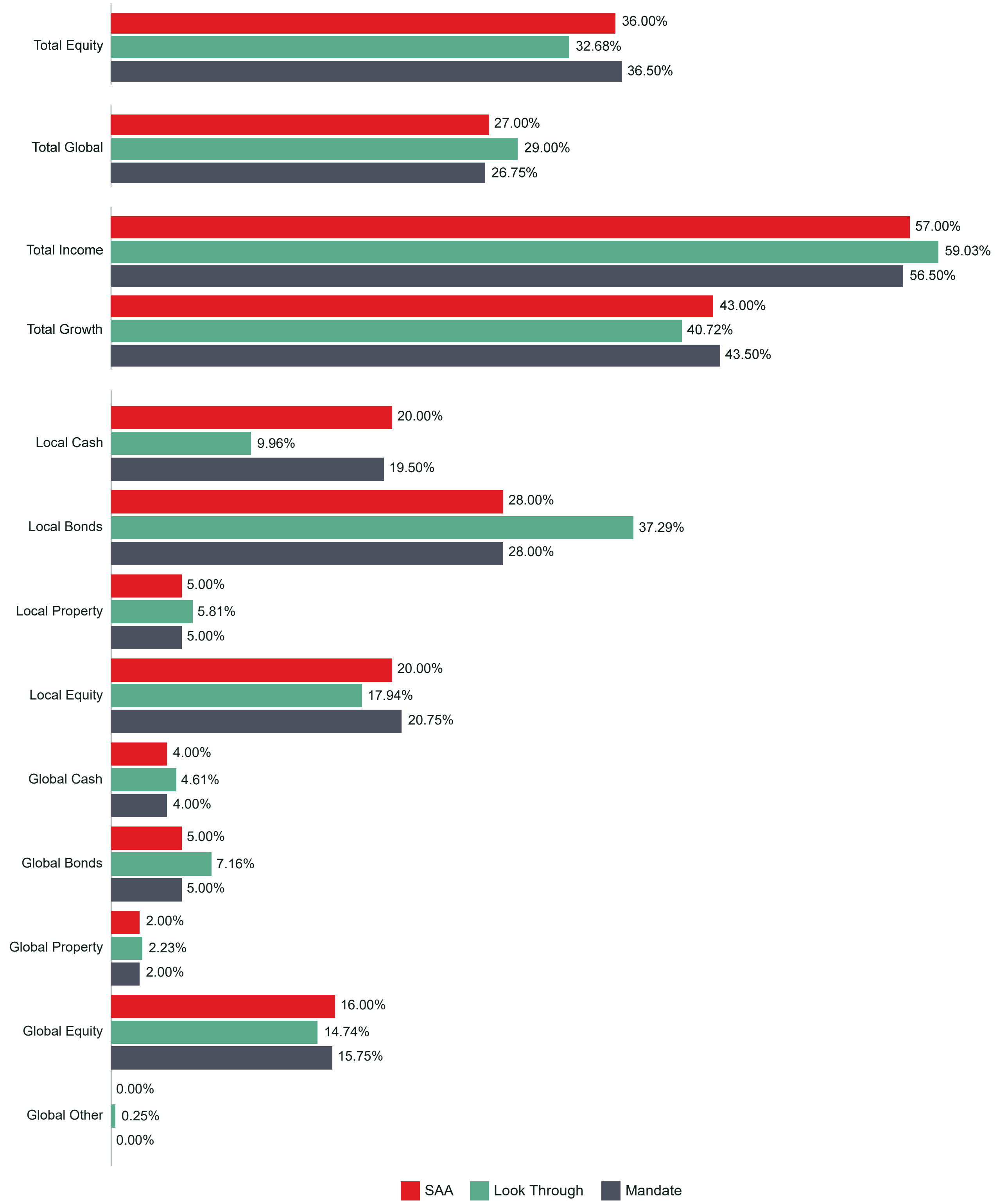
- No changes made. Rebalanced the portfolio back to ideal allocations.

4.4 Equilibrium Conservative Portfolio

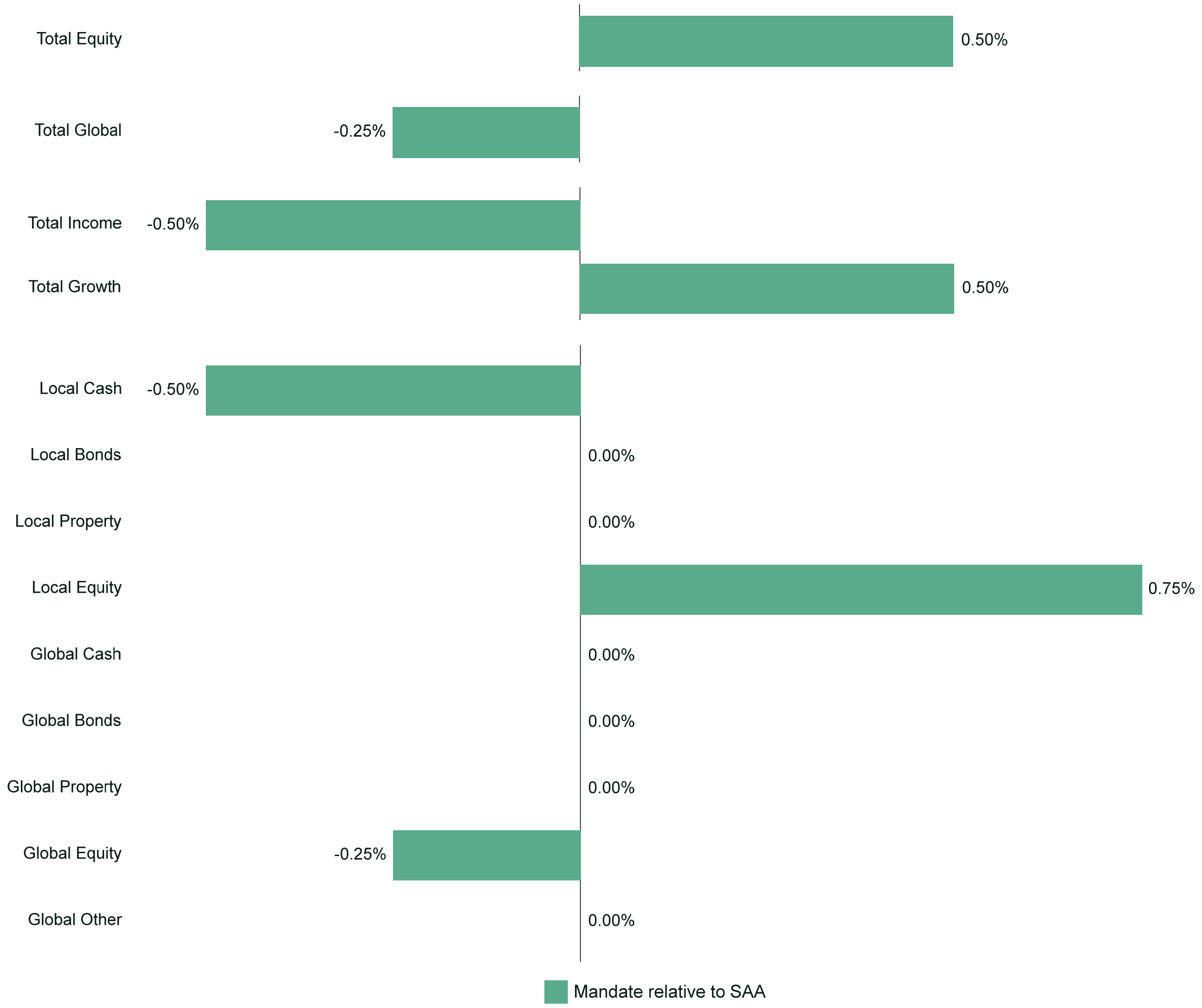
4.4.1 Building block allocation



4.4.2 Asset allocation



4.4.3 Asset allocation – Mandate relative to SAA



4.4.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

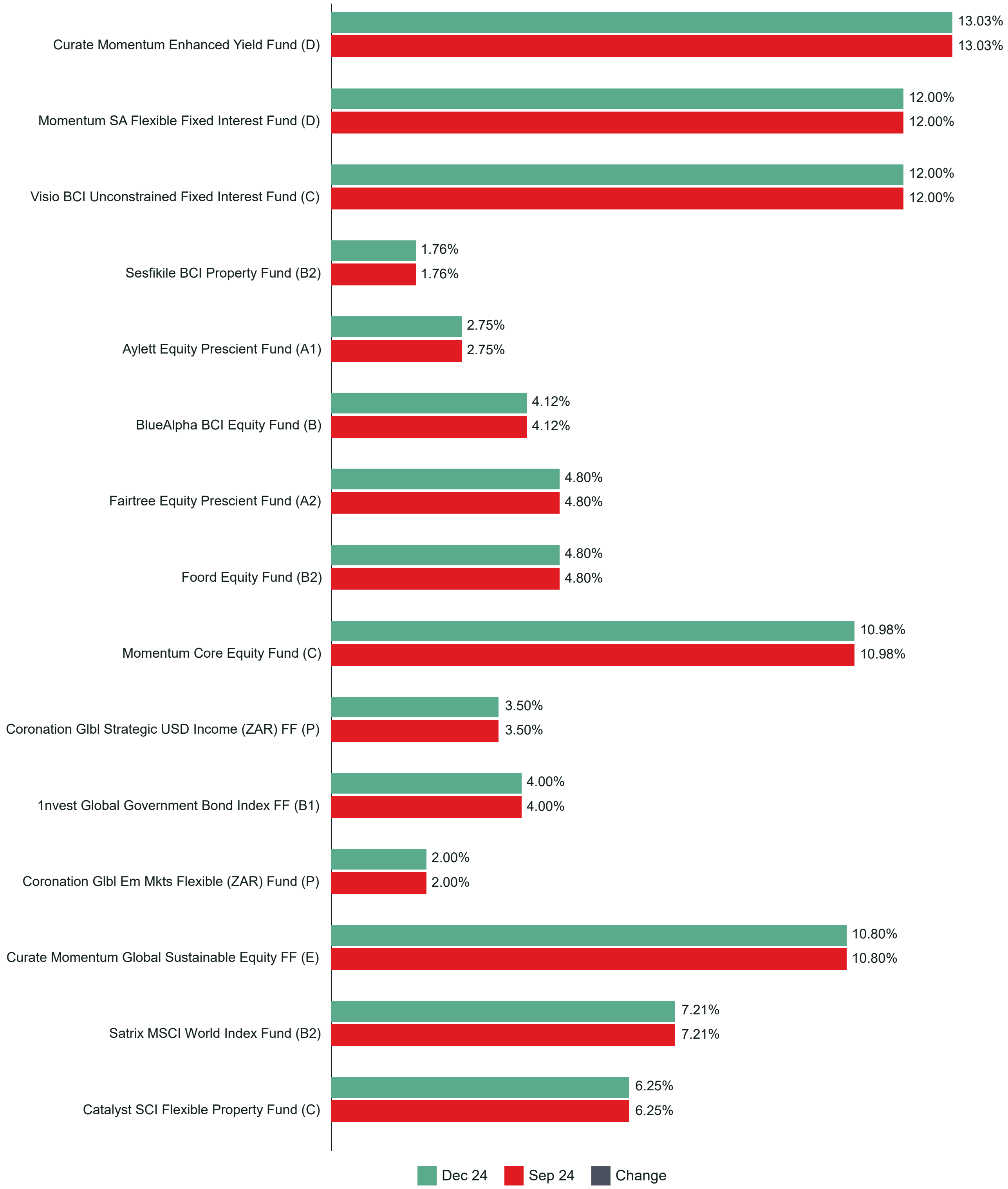
- Reduced local property by 1.25%
- Increased local bonds by 0.75%
- Increased global equity by 0.50%

The changes at a building block level are below:

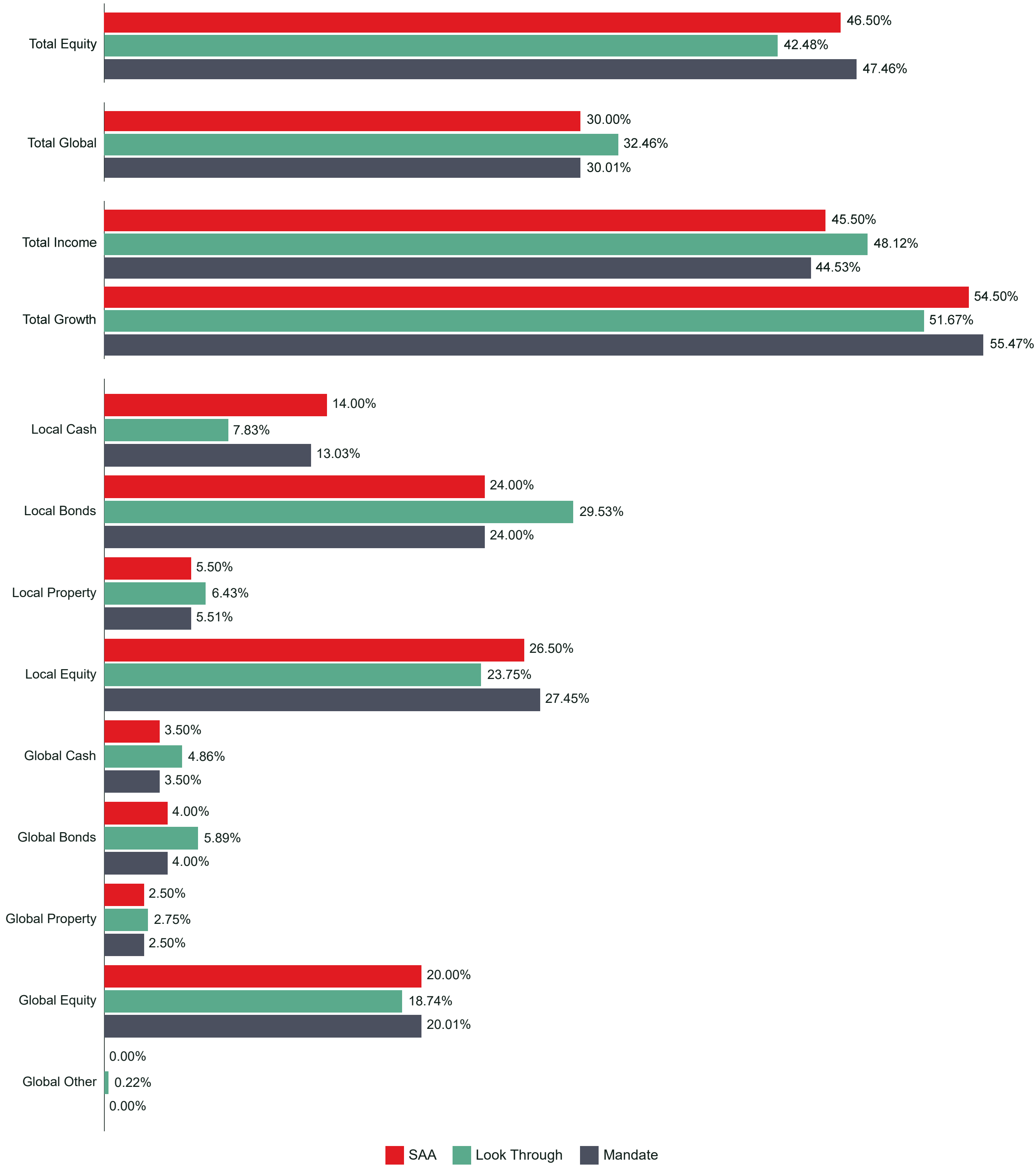
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.08%	**2.08%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	5.00%	**5.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	3.63%	**3.63%**	0.00%
Foord Equity Fund (B2)	3.63%	**3.63%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	14.00%	**14.38%**	0.38%
Momentum Core Equity Fund (C)	8.30%	**8.30%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	14.00%	**14.37%**	0.37%
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)	5.67%	**5.67%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.58%	**1.58%**	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)	8.50%	**9.00%**	0.50%
Sesfikile BCI Property Fund (B2)	2.00%	**0.75%**	-1.25%
	100.00%	100.00%	0.00%

4.5 Equilibrium Stable Portfolio

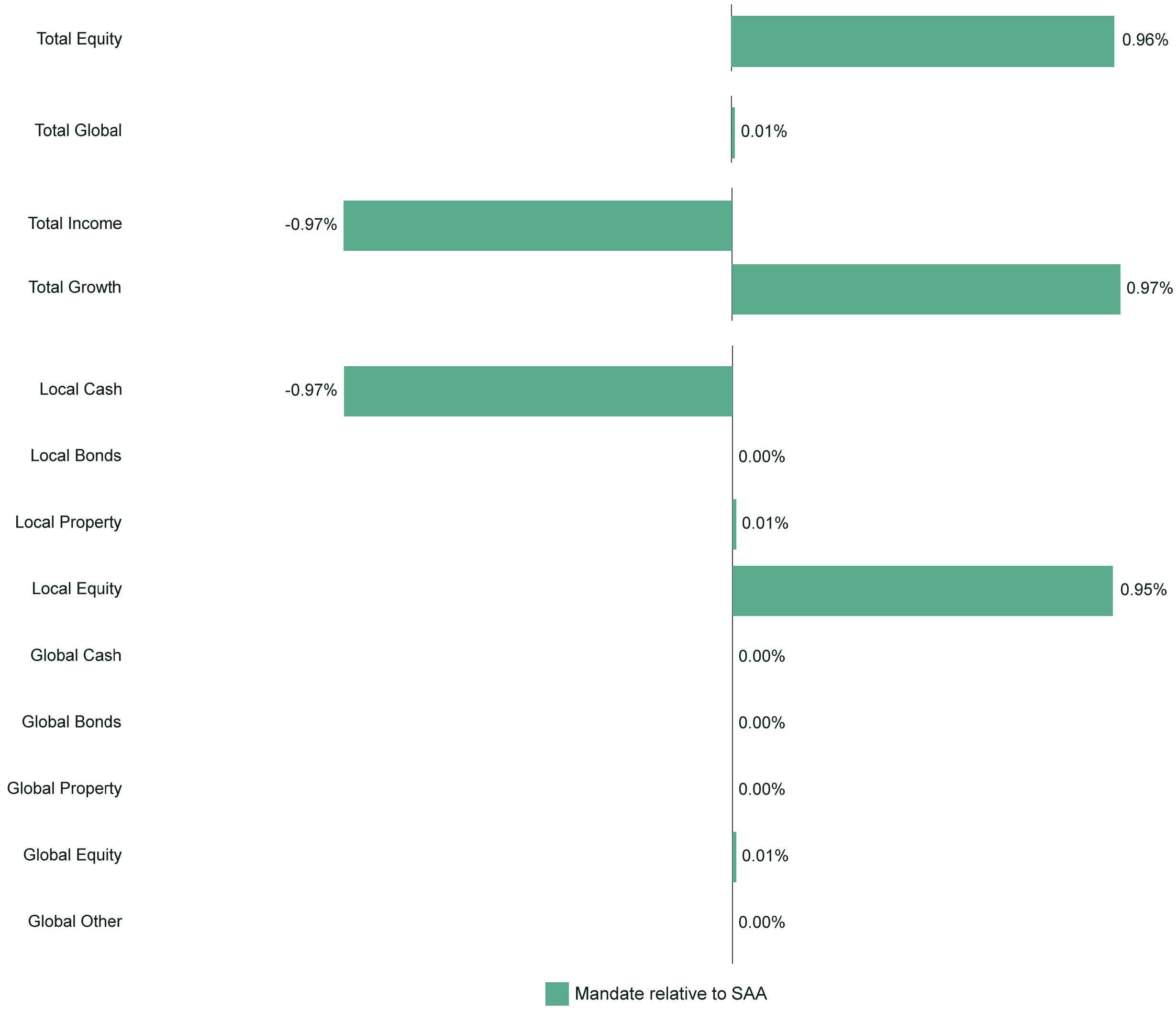
4.5.1 Building block allocation



4.5.2 Asset allocation



4.5.3 Asset allocation – Mandate relative to SAA



4.5.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

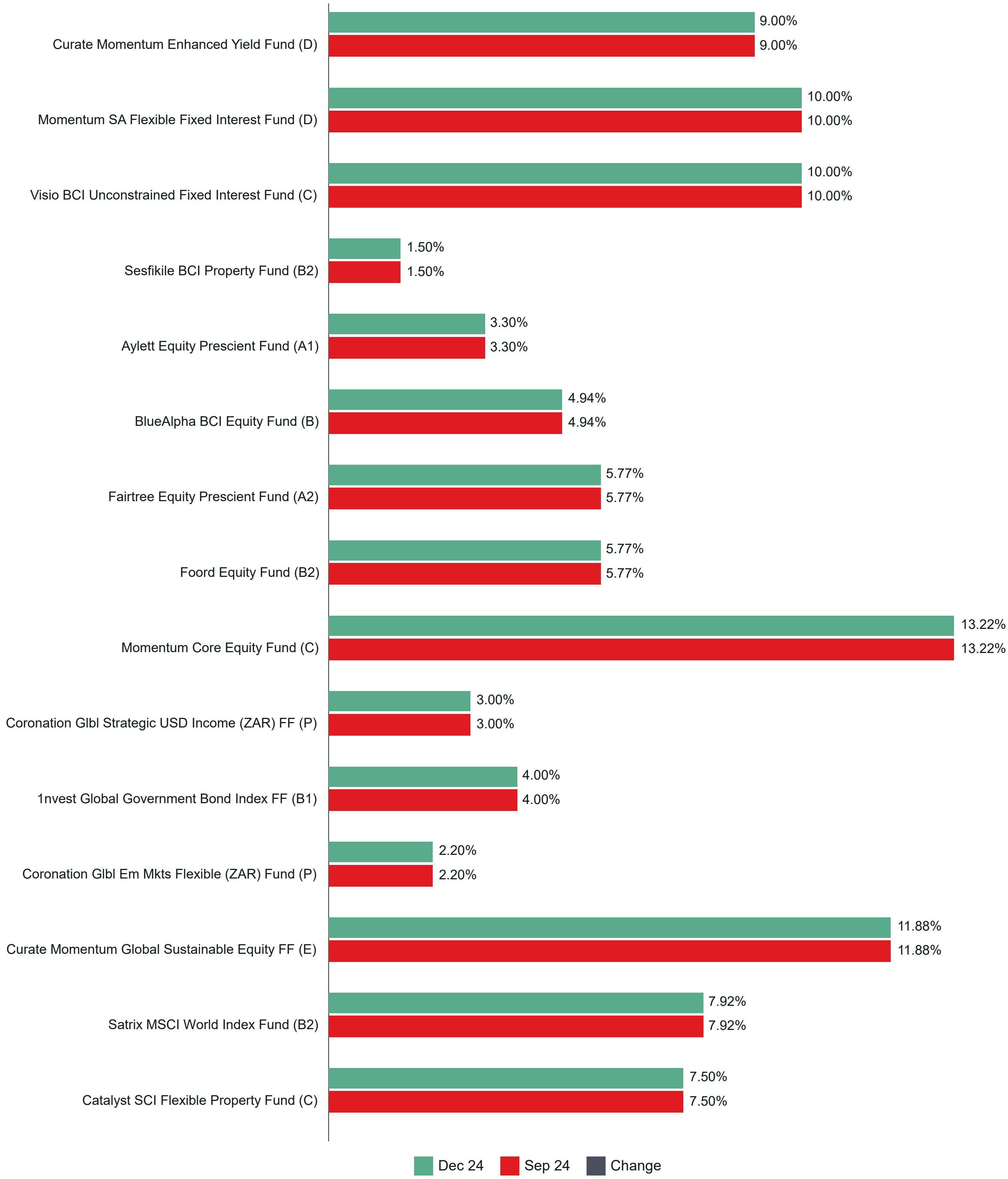
- Reduced local property by 1.76%
- Increased local bonds by 1.00%
- Increased global equity by 0.76%

The changes at a building block level are below:

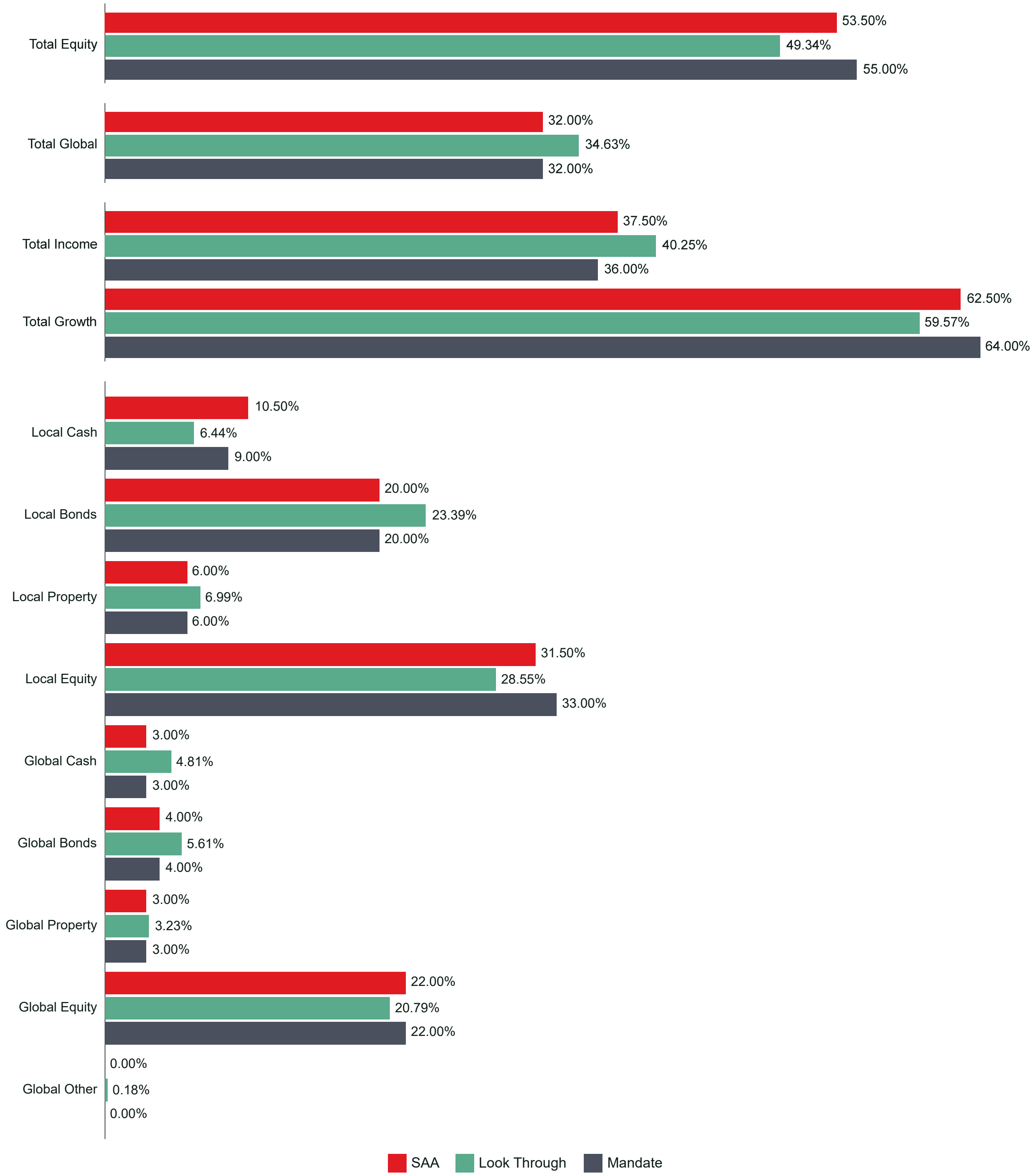
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.75%	**2.75%**	0.00%
Satrix MSCI World Index Fund (B2)	7.21%	**7.21%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.00%	**2.00%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	4.00%	**4.00%**	0.00%
Fairtree 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%	**12.50%**	0.50%
Momentum Core Equity Fund (C)	10.98%	**10.98%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	12.00%	**12.50%**	0.50%
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)	10.80%	**11.56%**	0.76%
Sesfikile BCI Property Fund (B2)	1.76%	**0.00%**	-1.76%
	100.00%	100.00%	0.00%

4.6 Equilibrium Moderate Portfolio

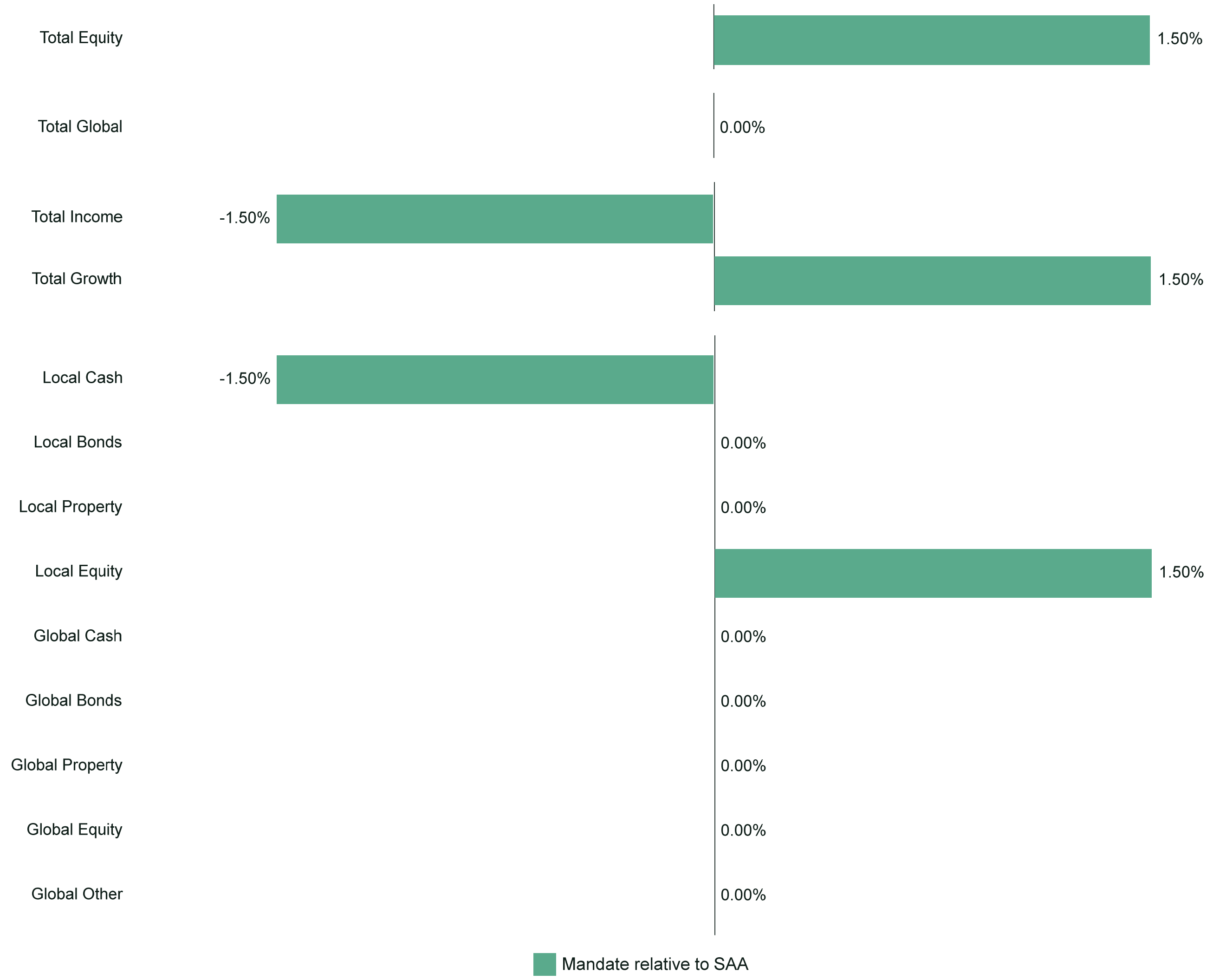
4.6.1 Building block allocation



4.6.2 Asset allocation



4.6.3 Asset allocation – Mandate relative to SAA



4.6.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

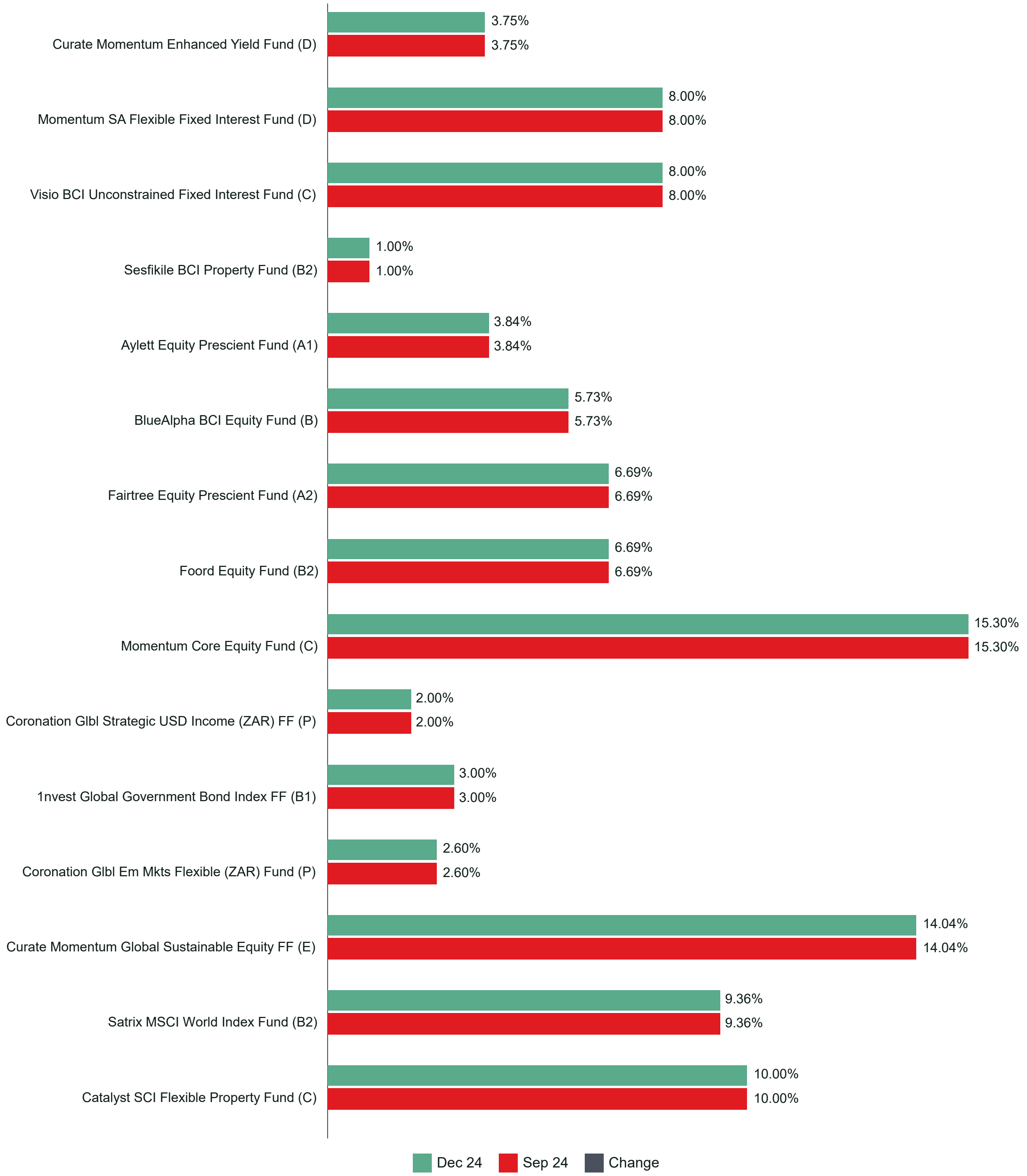
- Reduced local property by 1.50%
- Increased local bonds by 1.50%

The changes at a building block level are below:

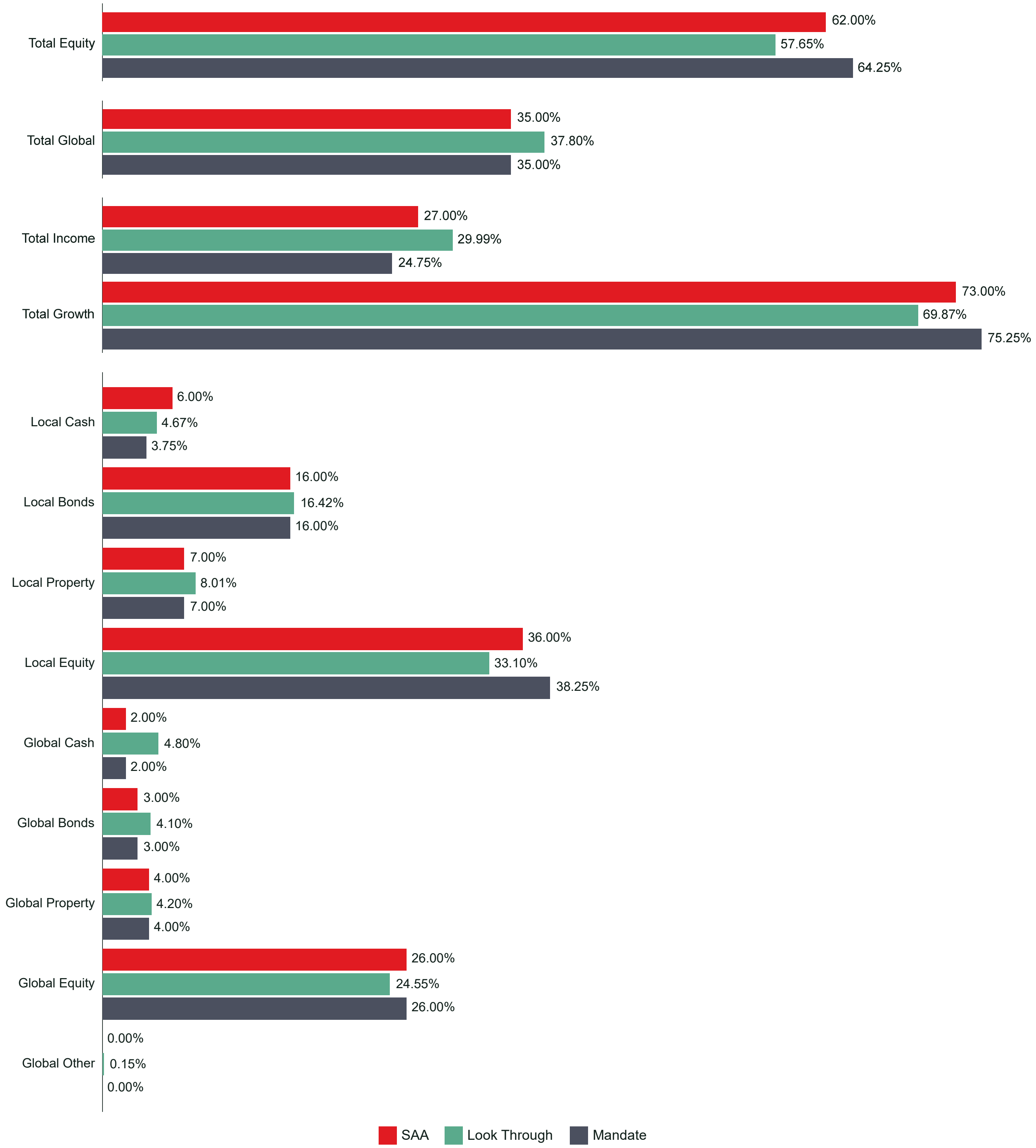
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.30%	**3.30%**	0.00%
Satrix MSCI World Index Fund (B2)	7.92%	**7.92%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.20%	**2.20%**	0.00%
Fairtree Equity Prescient Fund (A2)	5.77%	**5.77%**	0.00%
Foord Equity Fund (B2)	5.77%	**5.77%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	10.00%	**10.75%**	0.75%
Momentum Core Equity Fund (C)	13.22%	**13.22%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	10.00%	**10.75%**	0.75%
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)	11.88%	**11.88%**	0.00%
Sesfikile BCI Property Fund (B2)	1.50%	**0.00%**	-1.50%
	100.00%	100.00%	0.00%

4.7 Equilibrium Balanced Portfolio

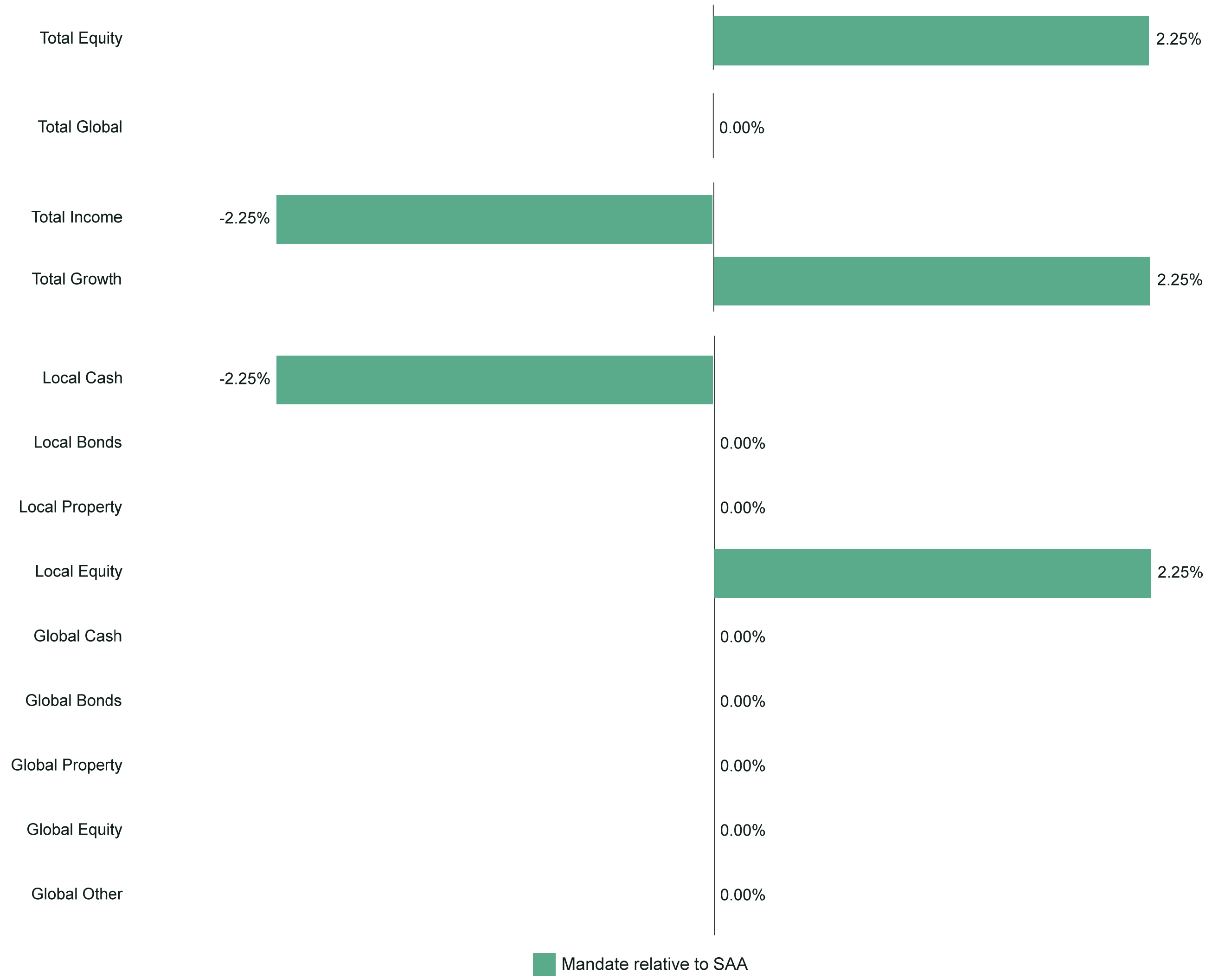
4.7.1 Building block allocation



4.7.2 Asset allocation



4.7.3 Asset allocation – Mandate relative to SAA



4.7.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

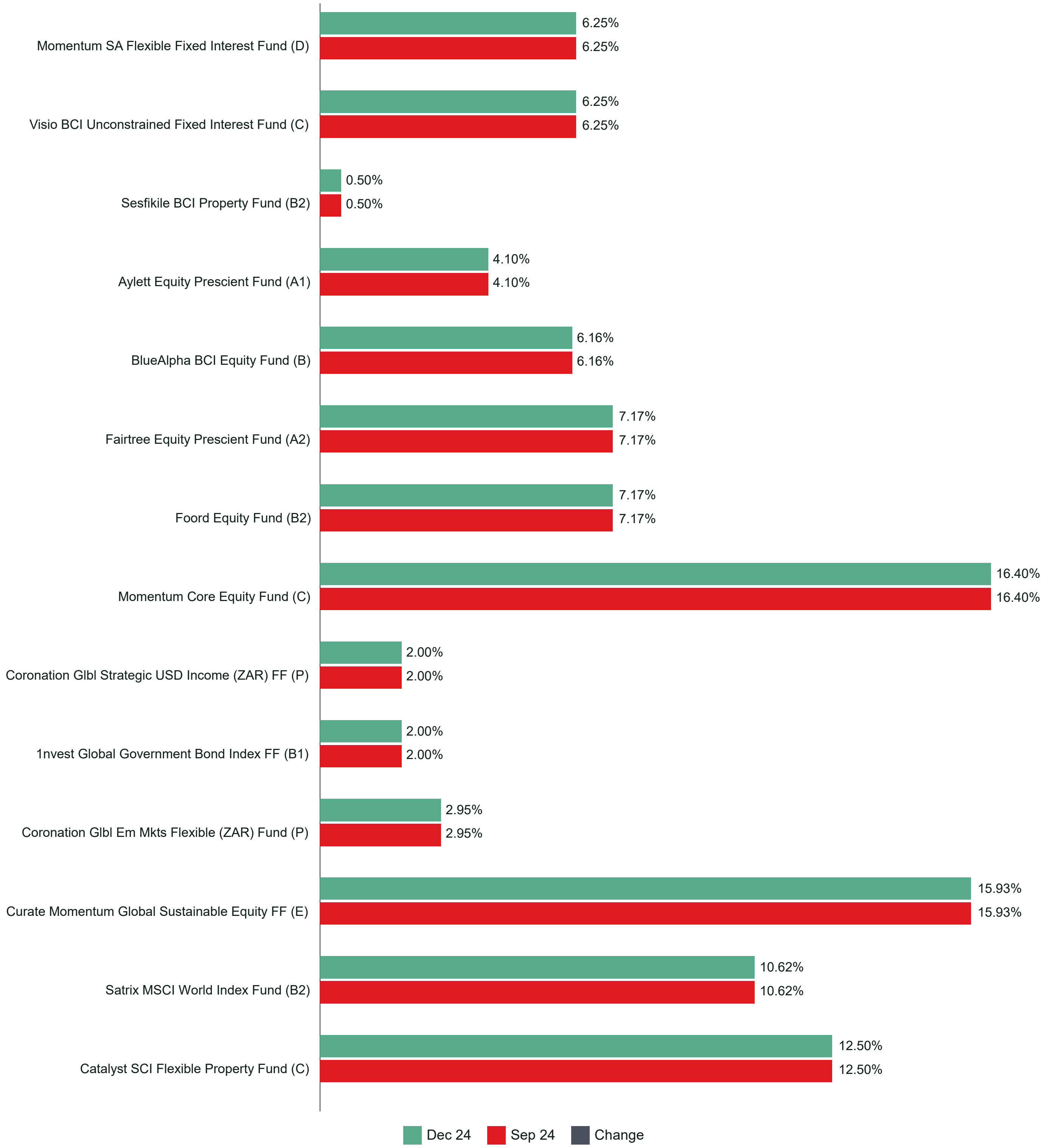
- Reduced flexible property (local and global property) by 2.00%
- Reduced local property by 1.00%
- Increased local bonds by 1.00%
- Increased global equity by 2.00%

The changes at a building block level are below:

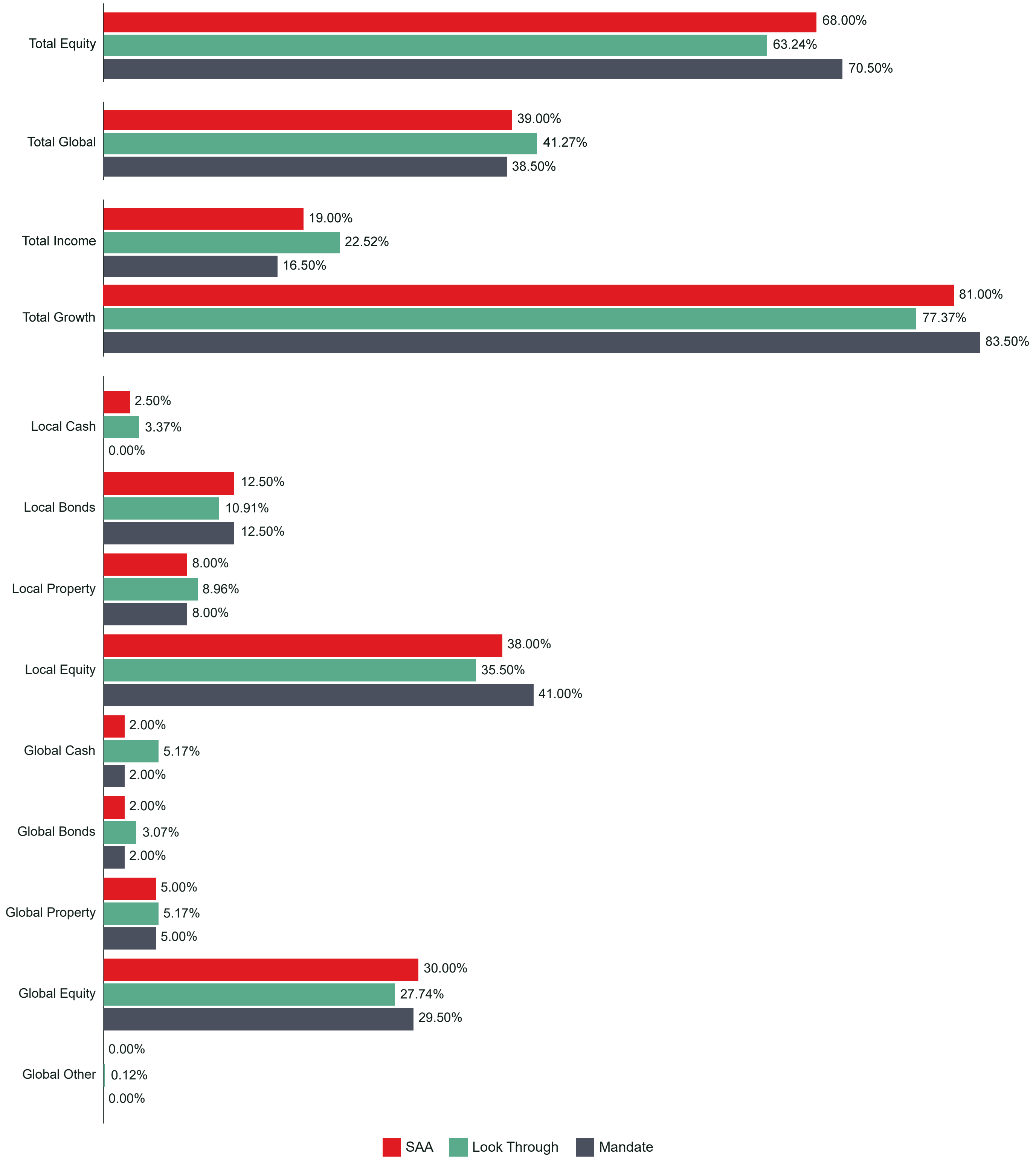
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.84%	**3.84%**	0.00%
Satrix MSCI World Index Fund (B2)	9.36%	**9.36%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.60%	**2.60%**	0.00%
Fairtree Equity Prescient Fund (A2)	6.69%	**6.69%**	0.00%
Foord Equity Fund (B2)	6.69%	**6.69%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.00%	**8.50%**	0.50%
Momentum Core Equity Fund (C)	15.30%	**15.30%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	8.00%	**8.50%**	0.50%
BlueAlpha BCI Equity Fund (B)	5.73%	**5.73%**	0.00%
Catalyst SCI Flexible Property Fund (C)	10.00%	**8.00%**	-2.00%
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)	14.04%	**16.04%**	2.00%
Sesfikile BCI Property Fund (B2)	1.00%	**0.00%**	-1.00%
	100.00%	100.00%	0.00%

4.8 Equilibrium Growth Portfolio

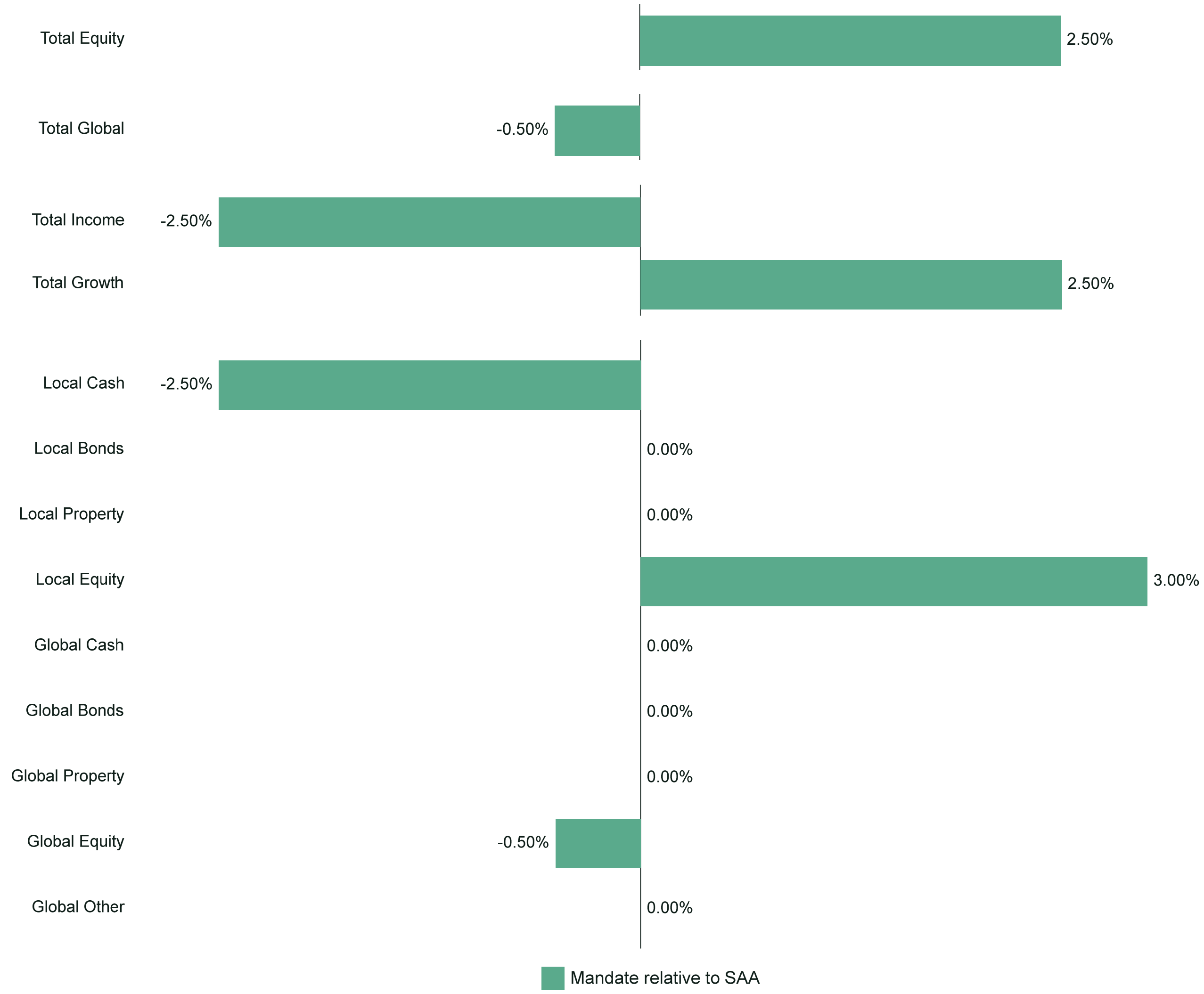
4.8.1 Building block allocation



4.8.2 Asset allocation



4.8.3 Asset allocation – Mandate relative to SAA



4.8.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

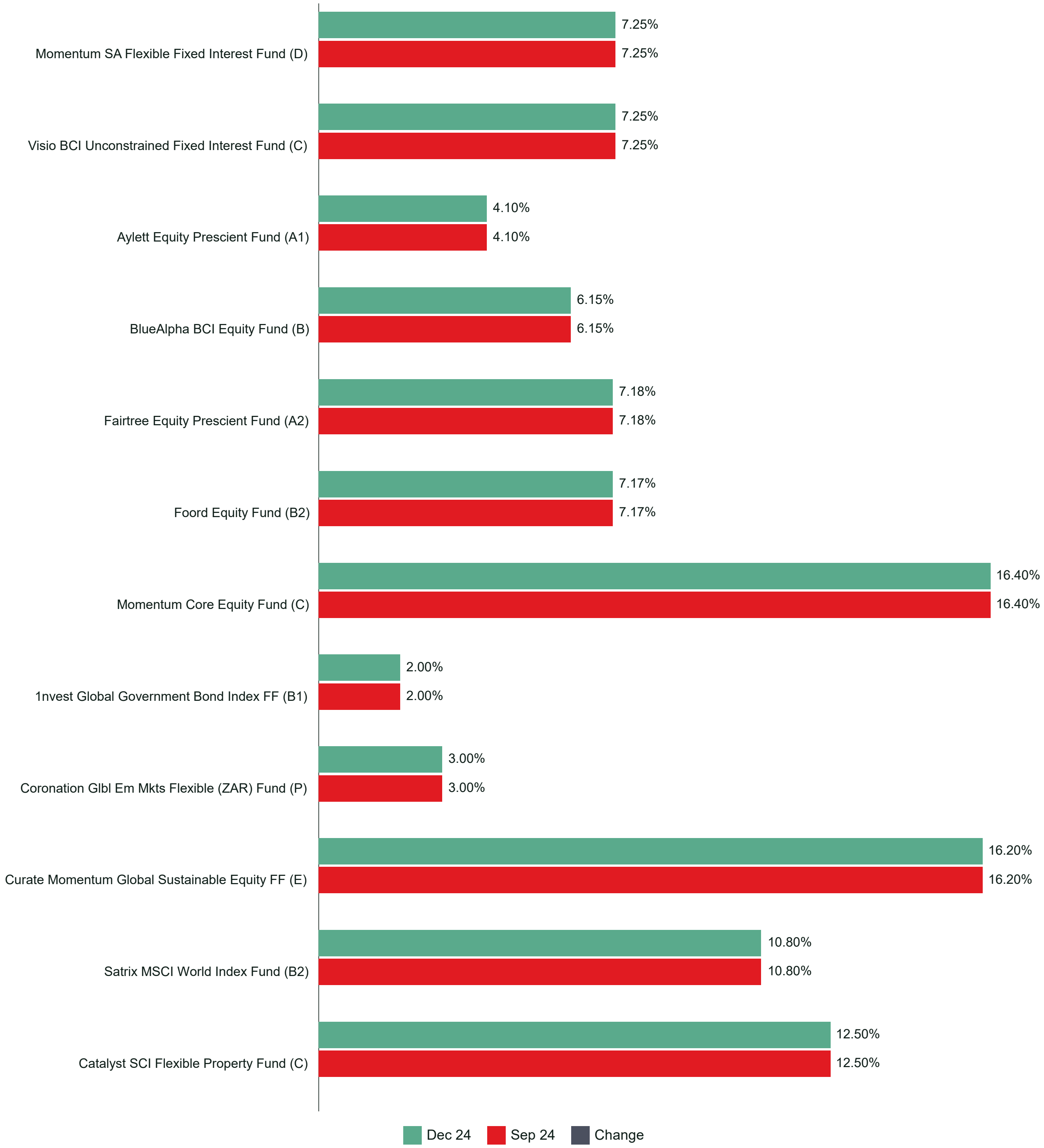
- Reduced flexible property (local and global property) by 3.00%
- Increased local equity by 1.80%
- Increased global equity by 1.20%

The changes at a building block level are below:

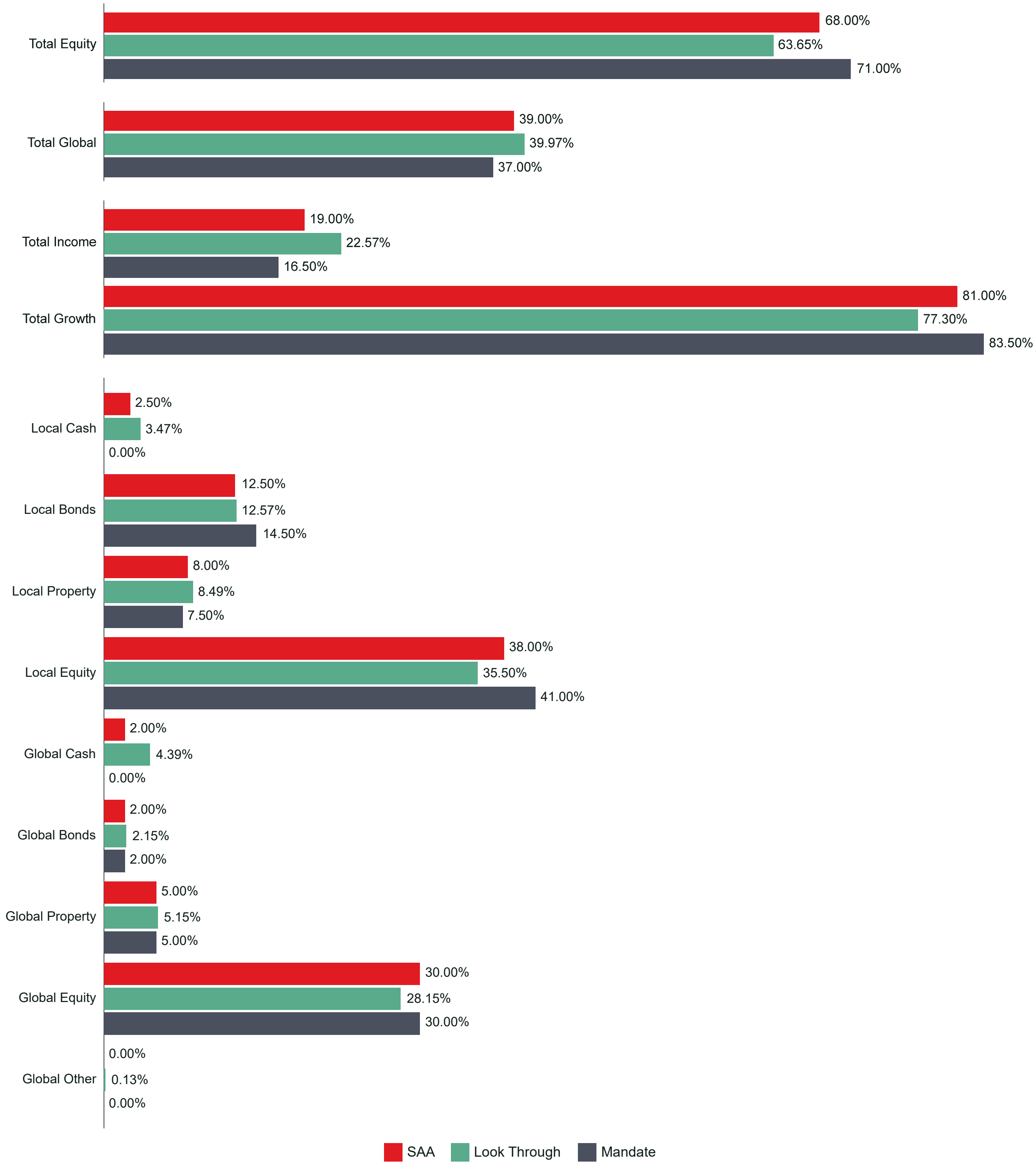
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.10%	**4.46%**	0.36%
Satrix MSCI World Index Fund (B2)	10.62%	**10.62%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.95%	**2.95%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.17%	**7.89%**	0.72%
Foord Equity Fund (B2)	7.17%	**7.89%**	0.72%
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%	**9.50%**	-3.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	15.93%	**17.13%**	1.20%
Sesfikile BCI Property Fund (B2)	0.50%	**0.50%**	0.00%
	100.00%	100.00%	0.00%

4.9 Equilibrium Unconstrained Portfolio

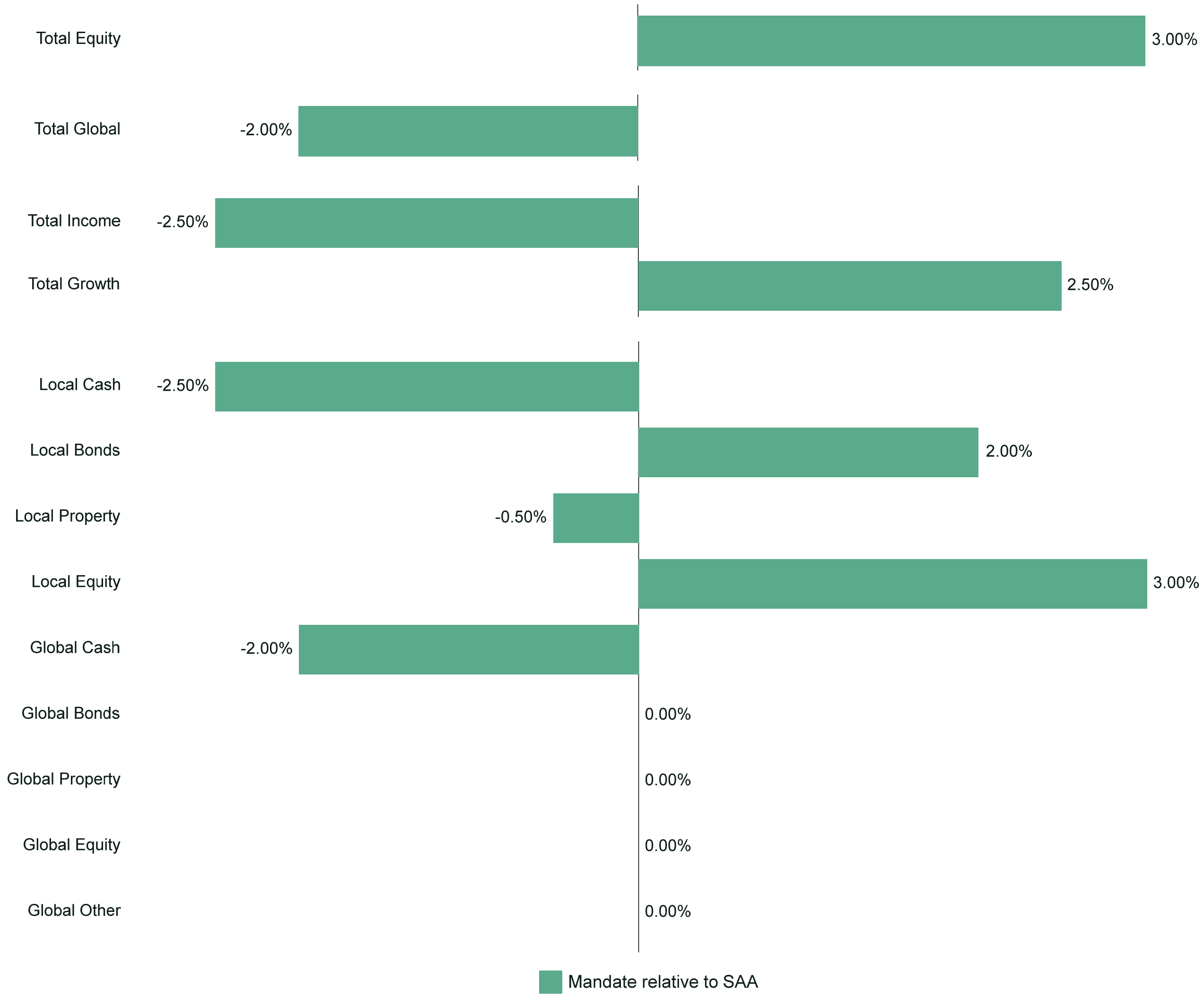
4.9.1 Building block allocation



4.9.2 Asset allocation



4.9.3 Asset allocation – Mandate relative to SAA



4.9.4 Portfolio changes/recommendations

Based on our tactical asset allocation views and the current positioning of the portfolio, we made the below changes:

- Reduced flexible property (local and global property) by 4.00%
- Increased local equity by 2.00%
- Increased global equity by 2.00%

The changes at a building block level are below:

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.10%	**4.50%**	0.40%
Satrix MSCI World Index Fund (B2)	10.80%	**10.80%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.00%	**3.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.18%	**7.98%**	0.80%
Foord Equity Fund (B2)	7.17%	**7.97%**	0.80%
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%	**8.50%**	-4.00%
Curate Momentum Global Sustainable Equity Feeder Fund (E)	16.20%	**18.20%**	2.00%
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 Group Limited (Reg 1904/002186/06), rated B-BBEE level 1.

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Sources: Momentum Investments and Morningstar.

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