

# **Equilibrium**

## **Quarterly Report**

**Q2 2025**

*This report is intended for the investment committee members only.*



# Table of Contents

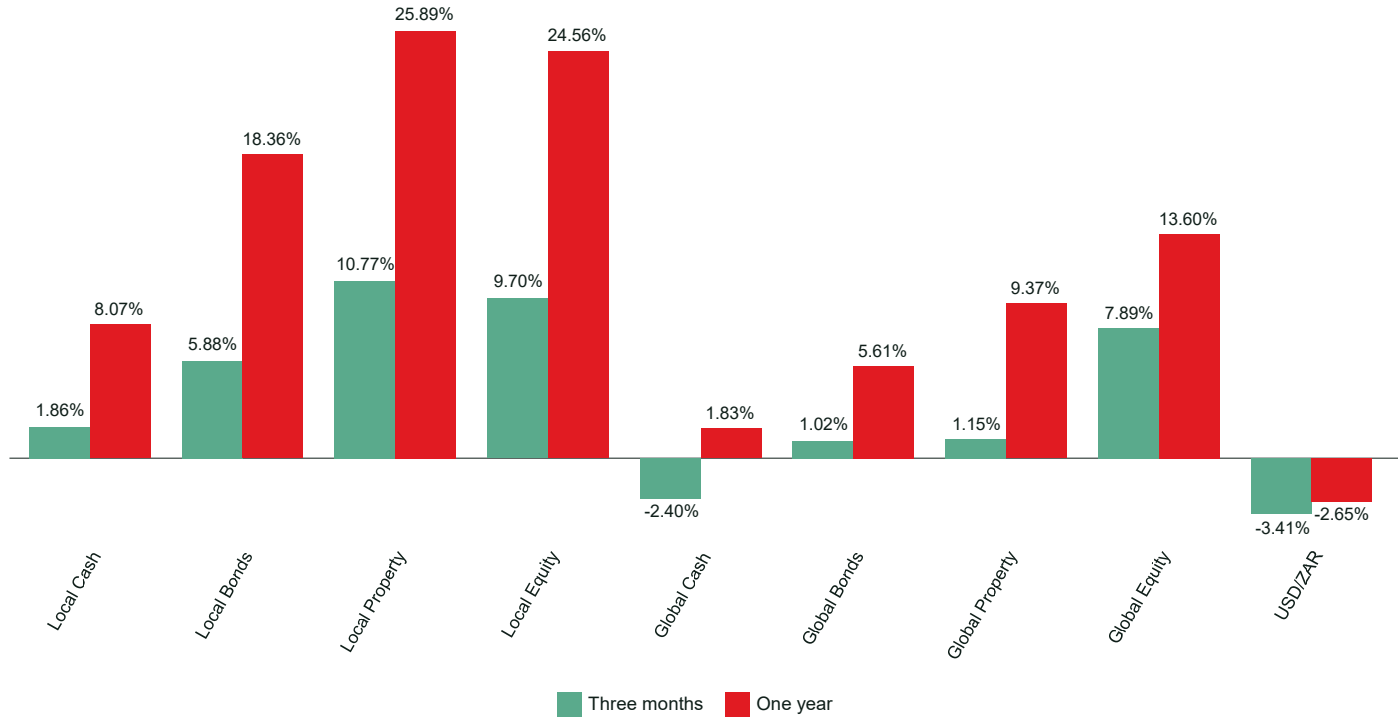
<b>1. Performance overview</b> .....	<b>3</b>
1.1 Quarterly market summary .....	3
1.2 Manager returns and comments .....	5
<b>2. Portfolio performance</b> .....	<b>8</b>
2.1 Executive summary .....	8
2.2 Equilibrium Income Portfolio .....	9
2.3 Equilibrium Conservative Portfolio .....	12
2.4 Equilibrium Stable Portfolio .....	19
2.5 Equilibrium Moderate Portfolio .....	26
2.6 Equilibrium Balanced Portfolio .....	33
2.7 Equilibrium Growth Portfolio .....	40
2.8 Equilibrium Unconstrained Portfolio .....	47
<b>3. Risk and return expectations</b> .....	<b>54</b>
3.1 Value-at-Risk and realistic expected real returns .....	54
3.2 Forward looking probabilities of achieving stated benchmarks .....	54
<b>4. Current positioning &amp; changes/recommendations</b> .....	<b>54</b>
4.1 Asset class house views .....	54
4.2 House view summary .....	55
4.3 Equilibrium Income Portfolio .....	56
4.4 Equilibrium Conservative Portfolio .....	58
4.5 Equilibrium Stable Portfolio .....	61
4.6 Equilibrium Moderate Portfolio .....	64
4.7 Equilibrium Balanced Portfolio .....	67
4.8 Equilibrium Growth Portfolio .....	70
4.9 Equilibrium Unconstrained Portfolio .....	73
<b>5. Appendices</b> .....	<b>76</b>
5.1 Glossary .....	76
5.2 Disclaimers .....	77



# 1. Performance overview

## 1.1 Quarterly market summary

### Asset Class Returns



The second quarter of 2025 was ushered in with heightened levels of volatility across markets as investors grappled with tariff policy uncertainty and ongoing geopolitical tensions. The CBOE Volatility Index (VIX), also known as the “Fear Index”, spiked to levels in excess of 50. To give some context to this number, the long-term average for the index is approximately 20. In the absence of a weakening in hard data numbers, these fears proved short-lived and most major asset classes delivered positive returns.

Global equities posted solid gains, despite the heightened volatility early in the quarter following President Trump’s announcement of new “Liberation Day” trade tariffs on 2 April 2025. Markets later rebounded as most tariffs were suspended for 90 days to allow trade negotiations with China, during which both sides agreed on the foundational principles of a potential trade deal.

The S&P 500 index fell 12% after the initial tariff announcements but went on to record its third best one-day return since the global financial crisis in 2008, 9% higher on 9 April 2025 and ending the quarter up 10.8% in US dollar (USD) terms.

A combination of renewed investor confidence and a strong earnings season helped boost mega-cap tech stocks. After underperforming in the first quarter of 2025, the “Magnificent 7” delivered strong returns and outperformed the remainder of the S&P 500 index by a significant margin.

Developed market equities, as measured by the MSCI All Countries World Index (MSCI ACWI), ended the quarter up 11.5% in USD terms. Due to the offsetting effect of the significant USD weakening over the quarter, returns were reduced to 7.8% in South African rand (ZAR) terms. Emerging market equities (MSCI Emerging Markets/EM Index) ended the quarter just ahead of their developed market peers, up 12% in USD terms and 8.2% in ZAR terms. Over the last 12 months, the MSCI ACWI and MSCI EM indices delivered returns of 16.2% and 15.3% respectively in USD terms and 13.6% and 12.9% respectively in ZAR terms.

The US macroeconomic environment continued to dominate bond markets. Following the 90-day pause on tariff implementations, investor focus shifted to concerns over US debt sustainability. Over the quarter, yield curves across all major government bond markets steepened, i.e. yields moved higher in longer dated bonds. The FTSE World Government Bond Index (WGBI) ended the quarter up 4.6% in USD terms and up 1% in ZAR terms, due to the offsetting effect of the ZAR strengthening against the USD over the quarter. Global property (FTSE EPRA Nareit) delivered another quarter of positive returns, up 4.8% in USD terms and 1.2% in ZAR terms.



SA equities (FTSE/JSE Capped SWIX All Share Index) continued their upward trajectory, up a significant 9.7% for the quarter and 24.6% over the last 12 months. From a sector perspective, financials, industrials and resources delivered 8.7%, 11.8% and 9.2% respectively over the quarter. Local property (FTSE/JSE All Property Index) recovered after delivering negative returns during the first quarter, up 10.8% for the quarter and 25.9% over the last 12 months.

After a slow start to the year, the FTSE/JSE All Bond Index (ALBI) made considerable gains in the second quarter, up 5.9% for the quarter and 18.4% for the last 12 months. The asset class benefited from relief about the survival of the SA coalition government and consistent positive inflation surprises. Apart from the one to 3-year maturity spectrum, all bonds delivered returns in excess of 5% for the quarter.

Local cash (STeFI Composite Index) still offered attractive real yields to investors. Even though interest rates were declining due to the South African Reserve Bank (SARB) rate cuts since September 2024, the asset class still delivered 1.9% over the quarter and 8.1% over the last 12 months.

Sources: Morningstar and Momentum Investments.



## 1.2 Manager returns and comments

Trailing returns as at 30 June 2025

	3m	6m	1y	3y	5y	7y	Commentary
<b>Local Cash</b>							
Curate Momentum Enhanced Yield Fund (D)	2.25%	4.56%	9.75%	9.19%	7.57%		All assets in the fund delivered positive returns during the quarter. Fixed rate NCDs continued to deliver stable performance while entering positions on certain investments at high credit spreads also boosted returns.
Fairtree BCI Income Plus Fund (H)	3.27%	5.54%	12.06%	12.20%	9.97%		No commentary was available at the time of preparing the report.
Prescient Income Provider Fund (A2)	3.24%	4.98%	11.47%	10.24%	8.55%	8.22%	Key contributors to performance were good yielding assets, floating rate instruments and the R2032 bond. The only detractor was the USD/ZAR hedge in May.
<b>STeFI Composite Index</b>	<b>1.86%</b>	<b>3.79%</b>	<b>8.07%</b>	<b>7.79%</b>	<b>6.30%</b>	<b>6.52%</b>	
<b>(ASISA) South African IB Short Term</b>	<b>2.25%</b>	<b>4.31%</b>	<b>9.46%</b>	<b>8.86%</b>	<b>7.39%</b>	<b>7.51%</b>	
<i>(ASISA) South African MA Income</i>	2.50%	4.11%	10.14%	9.33%	7.99%	7.69%	
<b>Local Bonds</b>							
Momentum SA Flexible Fixed Interest Fund (D)	6.43%	6.83%	19.26%	13.43%	11.20%		All the bond sectors delivered strong absolute performances for the quarter. The 1-3-years sector was the worst-performing sector with a return of 2.76%, The 3-7-years sector had a return of 5.36%, the 7-12-years sector returned a stellar 6.87%, while the 12+ years sector returned a more than decent 6.64%.
Visio BCI Unconstrained Fixed Interest Fund (C)	3.77%	5.47%	14.10%	11.90%	10.36%	9.78%	After holding the fund's duration above its long-term average for the whole of 2024, the fund cut the duration to "neutral" during the first quarter and continued to move lower during the second quarter – to its lowest level in over two years, as bond yields moved to expensive territory. Further to reducing the fund's modified duration during the quarter, exposure to inflation-linked bonds was increased.
<b>FTSE/JSE All Bond Index (ALBI20)</b>	<b>5.88%</b>	<b>6.62%</b>	<b>18.36%</b>	<b>13.37%</b>	<b>10.89%</b>	<b>9.79%</b>	
<b>Local Equity</b>							
36One BCI SA Equity Fund (E)	9.62%	16.06%	26.57%	19.42%	21.12%	15.37%	The main contributors were African Rainbow Minerals, Glencore, Anheuser-Busch InBev, AECI, Bid Corporation, Grindrod and Northam Platinum. The main detractors were Capitec, Sanlam, Reinet, OUTsurance, Vodacom, MTN, SPAR and Shoprite.
Aylett Equity Prescient Fund (A1)	10.17%	8.37%	18.75%	14.25%	18.75%	11.54%	The top contributor to performance was We Buy Cars. The top detractor was the Spar Group.
Fairtree SA Equity Prescient Fund (A2)	8.37%	13.16%	20.10%	16.23%	18.68%	15.67%	The main contributors were Naspers, Prosus, AngloGold, FirstRand and Sanlam. The main detractors were Harmony, Aspen, Standard Bank, Kap and Kumba.
Foord Equity Fund (B2)	4.90%	5.67%	19.82%	17.29%	16.94%	9.58%	Allocations to gold and gold producers, media stock, Prosus, and Anheuser-Busch InBev were positive contributors to returns. The fund's holding in pharmaceuticals group, Aspen, was the biggest detractor.



	3m	6m	1y	3y	5y	7y	Commentary
Momentum Core Equity Fund (C)	9.16%	11.96%	21.19%	13.80%	14.82%	10.22%	Performance dispersion between the three underlying strategies were much closer this quarter, with the Trending component being the best performing investment strategy. Active underweight exposures to Precious Metals and Silver and Diversified Financials together with an overweight to Energy and Utilities and Banks detracted the most from an industry perspective. Marginal contributions came from exposure to Industrials, Consumer Discretionary ex Retailing, Telecommunications, Gold, Consumer Staples and Real Estate. An underweight position to Aspen contributed together with overweight exposures to MMH, OUTsurance, British American Tobacco and Vodacom.
<b>FTSE/JSE Capped SWIX All Share Index (J433T)</b>	<b>9.70%</b>	<b>16.11%</b>	<b>24.56%</b>	<b>15.86%</b>	<b>16.24%</b>	<b>9.72%</b>	
<b>FTSE/JSE SWIX All Share Index (J403T)</b>	<b>10.15%</b>	<b>16.70%</b>	<b>25.18%</b>	<b>16.14%</b>	<b>14.44%</b>	<b>9.32%</b>	
<i>(ASISA) South African EQ General</i>	8.26%	10.33%	18.72%	13.51%	14.23%	8.97%	
<b>Global Cash</b>							
Coronation Gbl Strategic USD Income (ZAR) FF (P)	-1.99%	-3.04%	3.12%	8.31%	3.98%	7.02%	Fortunately, the fund was defensively positioned at the advent of “Liberation Day” and was well placed to weather the panicked collapse of many risk assets that occurred immediately. This provided a good platform for the fund to accumulate better-priced, high-quality credits.
<b>ICE BofA US 3-Month Treasury Bill Index*</b>	<b>-2.40%</b>	<b>-3.88%</b>	<b>1.83%</b>	<b>7.38%</b>	<b>3.25%</b>	<b>6.23%</b>	
<i>(ASISA) Global IB Short Term</i>	-0.35%	-0.53%	5.27%	7.18%	2.32%	4.91%	
<b>Global Bonds</b>							
1invest Global Government Bond Index FF (B1)	0.03%	-0.19%	3.98%	3.28%	-3.03%	2.52%	
<b>FTSE World Government Bond Index (WGBI)</b>	<b>1.02%</b>	<b>1.03%</b>	<b>5.61%</b>	<b>4.46%</b>	<b>-2.03%</b>	<b>3.37%</b>	
<b>FTSE Group-of-Seven (G7) Government Bond Index</b>	<b>0.35%</b>	<b>0.62%</b>	<b>5.08%</b>	<b>3.82%</b>	<b>-2.39%</b>	<b>3.23%</b>	
<b>Global Equity</b>							
Coronation Gbl Em Mkts Flexible (ZAR) Fund (P)	13.31%	13.93%	16.15%	17.96%	2.88%	6.36%	The biggest contributors to performance were Coupang (a South Korean ecommerce retailer), NU Holdings (Latin American digital bank), Alibaba and Mercado Libre. The biggest detractors were JD.com and Wizz Air.
Curate Momentum Global Sustainable Equity FF (E)	8.82%	3.51%	12.10%				The top contributors were UnitedHealth Group, Berkshire Hathaway Inc, Siemens Energy AG, Exxon Mobil Corp and Chevron Corp. The main detractors were Clorox Co, Fiserv Inc, Manpower Group, Bristol-Myers Squibb Co and Oracle Corp.
Satrix MSCI World Index Fund (B2)	7.59%	2.96%	12.85%	20.66%	14.84%	15.37%	
<b>MSCI ACWI Gross Total Return</b>	<b>7.89%</b>	<b>3.92%</b>	<b>13.60%</b>	<b>21.14%</b>	<b>14.71%</b>	<b>15.52%</b>	
<b>MSCI World Index Gross Total Return</b>	<b>7.83%</b>	<b>3.37%</b>	<b>13.66%</b>	<b>22.13%</b>	<b>15.62%</b>	<b>16.39%</b>	
<b>MSCI Emerging Markets Index</b>	<b>8.38%</b>	<b>8.85%</b>	<b>12.89%</b>	<b>13.24%</b>	<b>7.76%</b>	<b>8.87%</b>	
<i>(ASISA) Global EQ General</i>	6.51%	3.73%	11.33%	17.18%	11.18%	11.94%	



	3m	6m	1y	3y	5y	7y	Commentary
<b>Flexible Property Composite</b>							
Catalyst SCI Flexible Property Fund (C)	4.81%	1.64%	17.33%	13.52%	13.63%		The best performing real estate market was Europe. The best performing global sectors were Student Housing, Diversified and Health care. The worst performing sectors were Lab Space, Hotels and Data Centres.
<b>Flexible Property Composite</b>	<b>6.88%</b>	<b>3.87%</b>	<b>19.18%</b>	<b>15.27%</b>	<b>13.22%</b>	<b>4.93%</b>	

\*The US LIBOR benchmark has been replaced by the ICE BoAML 3-month US Treasury Bill Index G001 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 G001 thereafter.



## 2. Portfolio performance

### 2.1 Executive summary

- The Income portfolio outperformed its benchmark but lagged the peer group during the quarter. All the multi-asset class portfolios outperformed their respective benchmarks and peer groups over the quarter.
- During the last 12 months, tactical asset allocation (TAA) contributed to performance across all the multi-asset class portfolios. The overweight position to local equity and underweight position to local cash contributed to performance. Manager selection detracted from performance across all the multi-asset class portfolios over the last 12 months.
- All the portfolios delivered reasonable returns over their respective time horizons with the Income, Conservative, Stable, Moderate and Balanced portfolios outperforming their respective benchmarks. The relatively more aggressive portfolios, namely: the Growth and Unconstrained portfolios, remained under pressure and underperformed their respective benchmarks. This was primarily due to protracted periods of muted growth from growth asset classes.
- Performance over the respective time horizons relative to peers was encouraging with all portfolios outperforming, barring the Income portfolio, due to the Mi-Plan IP Enhanced Income Retention Fund impairments.



## 2.2 Equilibrium Income Portfolio

**Data as at:** 30 June 2025  
**Benchmark:** STeFI Composite over rolling 1-year periods  
**Peer group:** (ASISA) South African MA Income

**Investment horizon:** One year  
**Launch date:** 30 June 2017  
**Returns start date:** 30 June 2007

### 2.2.1 Returns

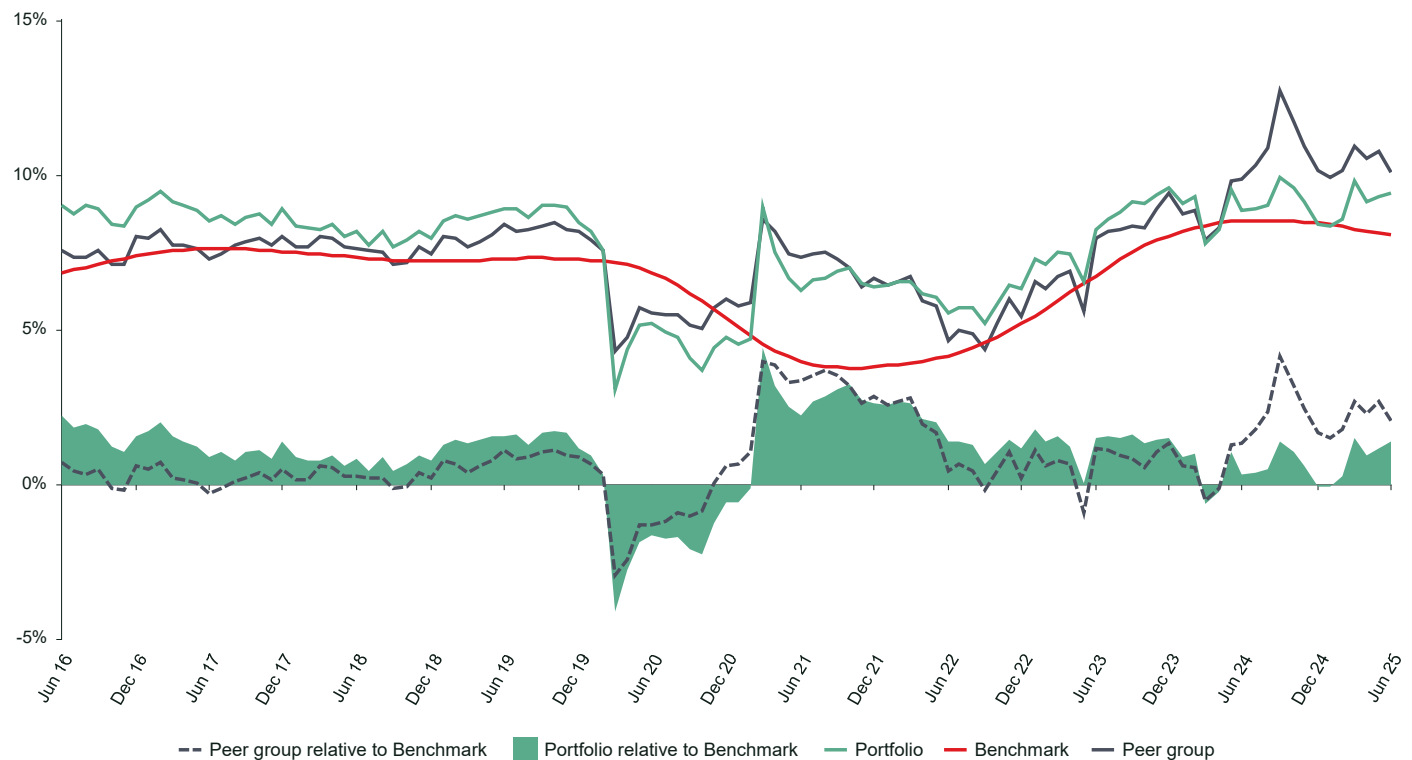
#### Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
<b>Portfolio</b>	<b>2.17%</b>	<b>4.19%</b>	<b>9.46%</b>	<b>8.86%</b>	<b>7.68%</b>	<b>7.50%</b>	<b>7.83%</b>	<b>7.59%</b>	<b>96</b>
Benchmark	1.86%	3.79%	8.07%	7.79%	6.30%	6.52%	6.75%	6.62%	
Peer group	2.50%	4.11%	10.14%	9.33%	7.99%	7.69%	7.64%	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 its benchmark but lagged its peer group over the quarter.
- The portfolio outperformed its benchmark over its time horizon and underperformed its peer group due to the write downs of the non-performing credit instruments in the Mi-Plan Enhanced Income Retention Fund.

#### Rolling investment horizon returns over 10 years

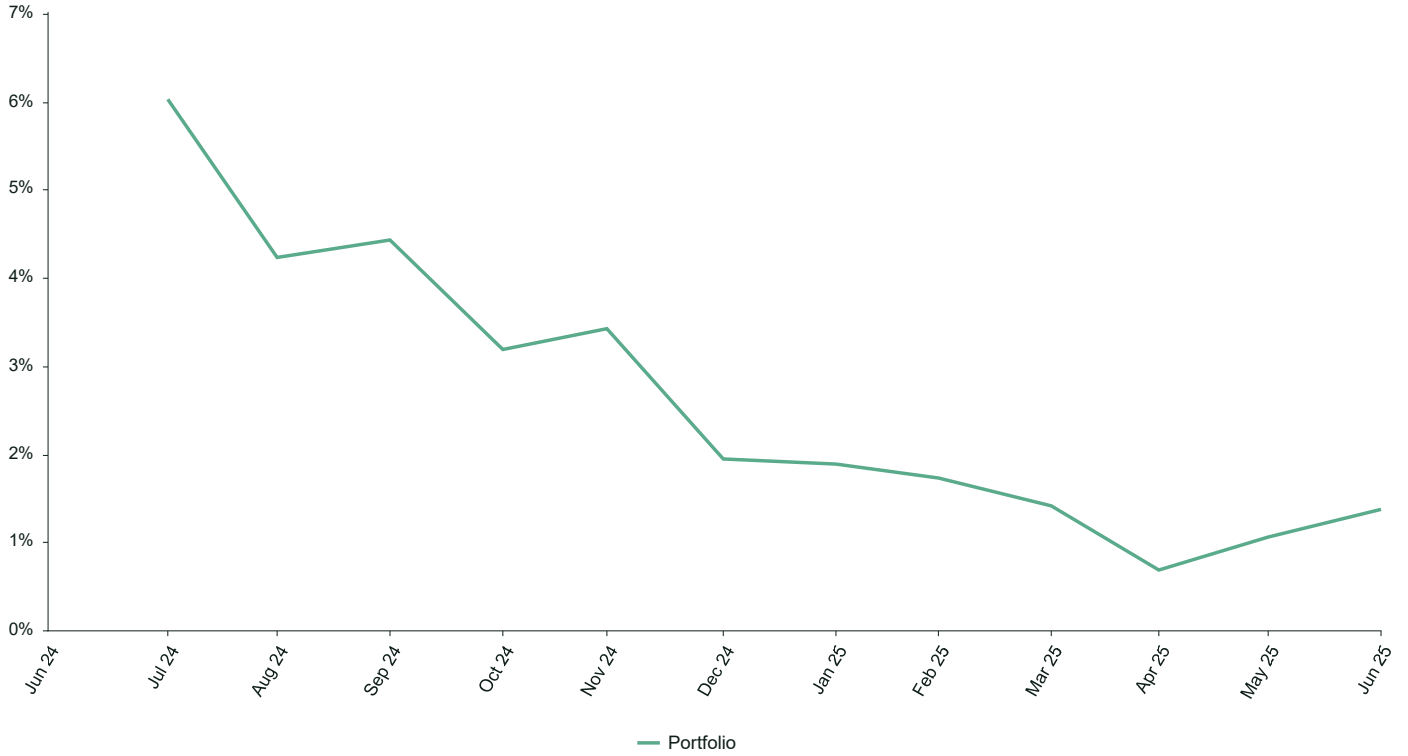


	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	109	
Periods of outperformance	<b>93</b>	91
Realised probability of outperformance	<b>85%</b>	83%
Maximum outperformance	<b>4.44%</b>	4.18%
Maximum underperformance	<b>-4.11%</b>	-2.90%

- Over the period, the portfolio outperformed its benchmark during 85% of the rolling 1-year periods. This compares favourably with the peer group, which outperformed during 83% of the 1-year periods.



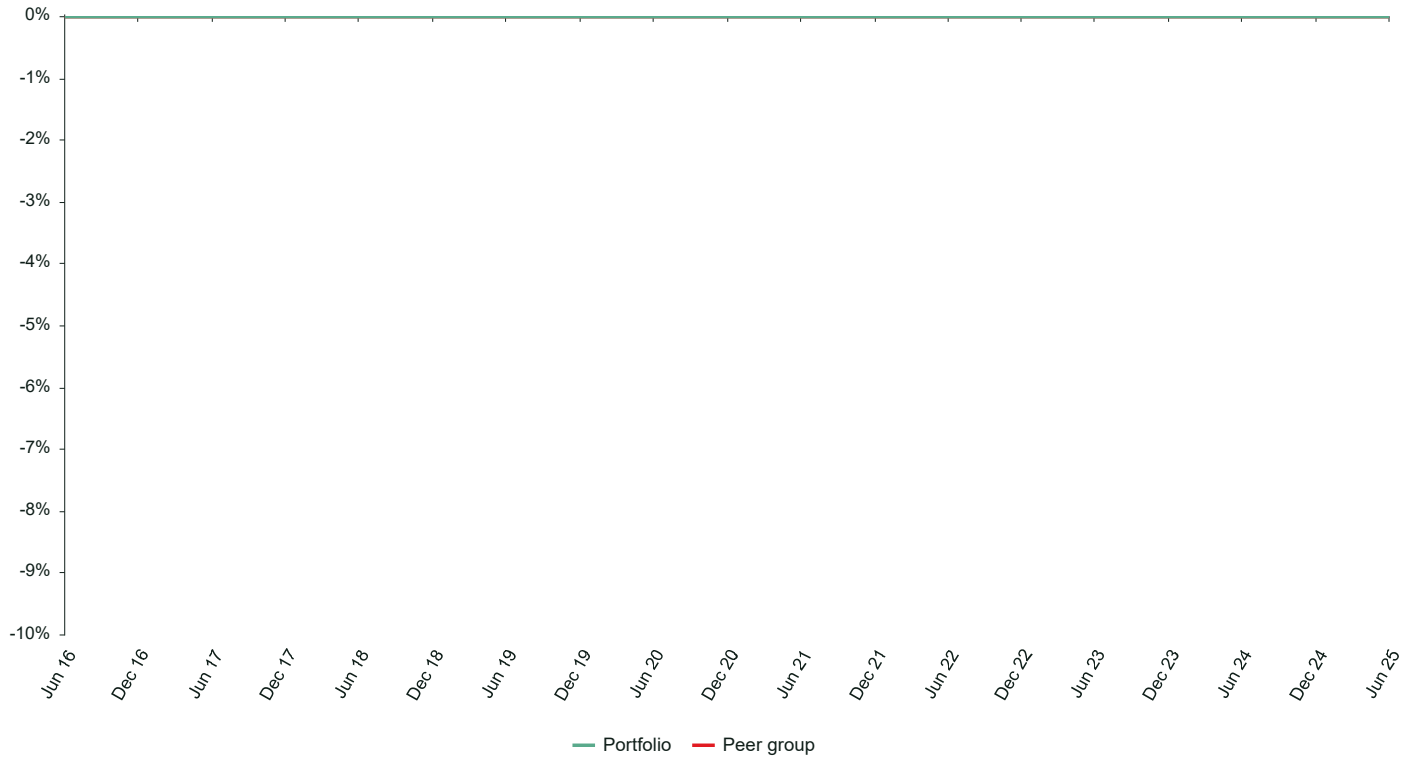
### Portfolio relative to benchmark



- The portfolio was impacted by the impairment of non-performing credit instruments in the Mi-Plan IP Enhanced Income Fund but remains ahead of its benchmark.

### 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



- The portfolio is not currently in a drawdown.



## 2.3 Equilibrium Conservative Portfolio

**Data as at:** 30 June 2025  
**Benchmark:** CPI + 2% over rolling 3-year periods  
**Peer group:** (ASISA) South African MA Low Equity

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

### 2.3.1 Returns

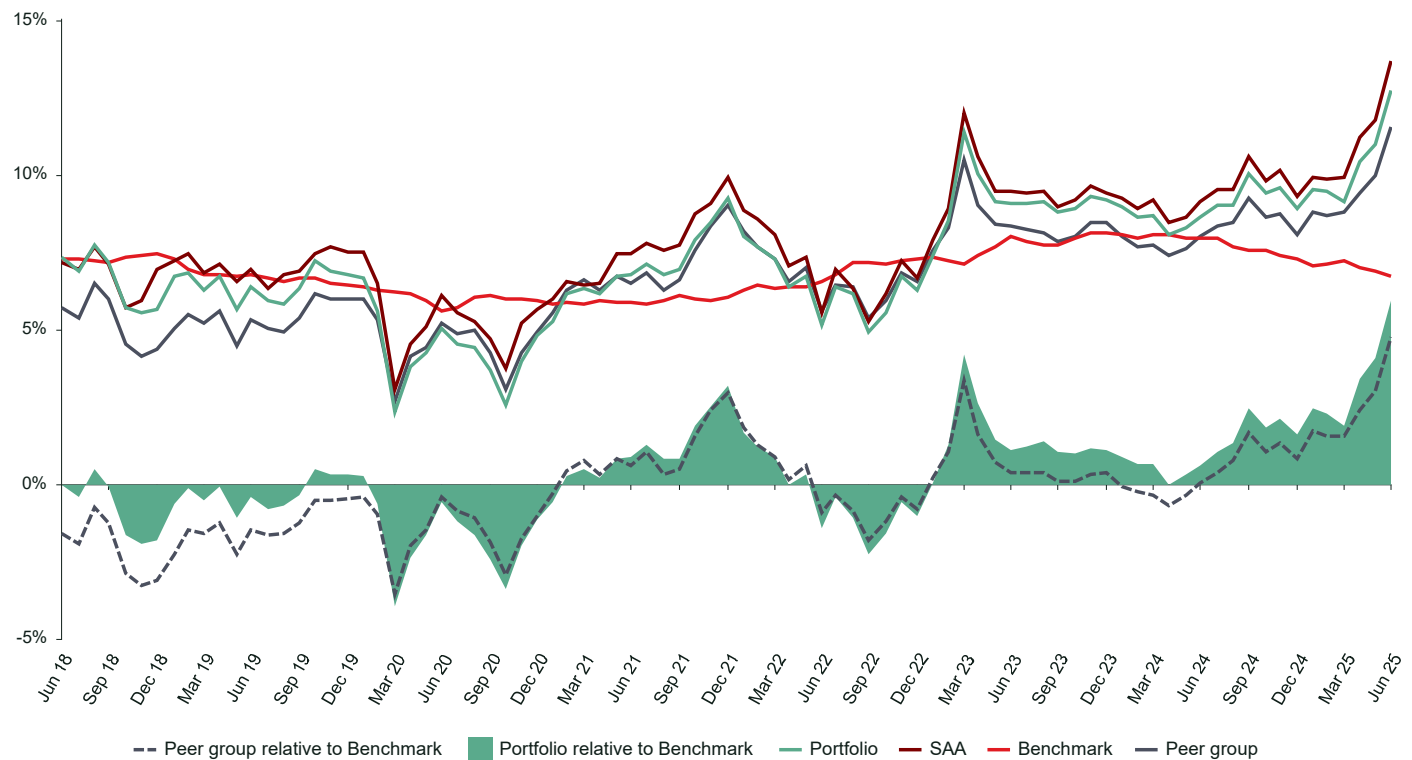
#### Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
<b>Portfolio</b>	<b>5.85%</b>	<b>5.29%</b>	<b>14.53%</b>	<b>12.74%</b>	<b>10.56%</b>	<b>8.66%</b>	<b>8.27%</b>	<b>8.45%</b>	<b>96</b>
Benchmark	1.37%	3.16%	4.81%	6.76%	7.20%	6.63%	6.84%	6.60%	
SAA	5.72%	6.63%	15.68%	13.68%	11.13%	9.33%	8.68%	9.22%	
Peer group	4.65%	5.70%	13.35%	11.56%	9.66%	8.12%	7.40%	7.96%	

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 5.98% p.a. over the 3-year period. It also outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.15% over the last 12 months, net of all investment related fees.

#### Rolling investment horizon returns over 10 years

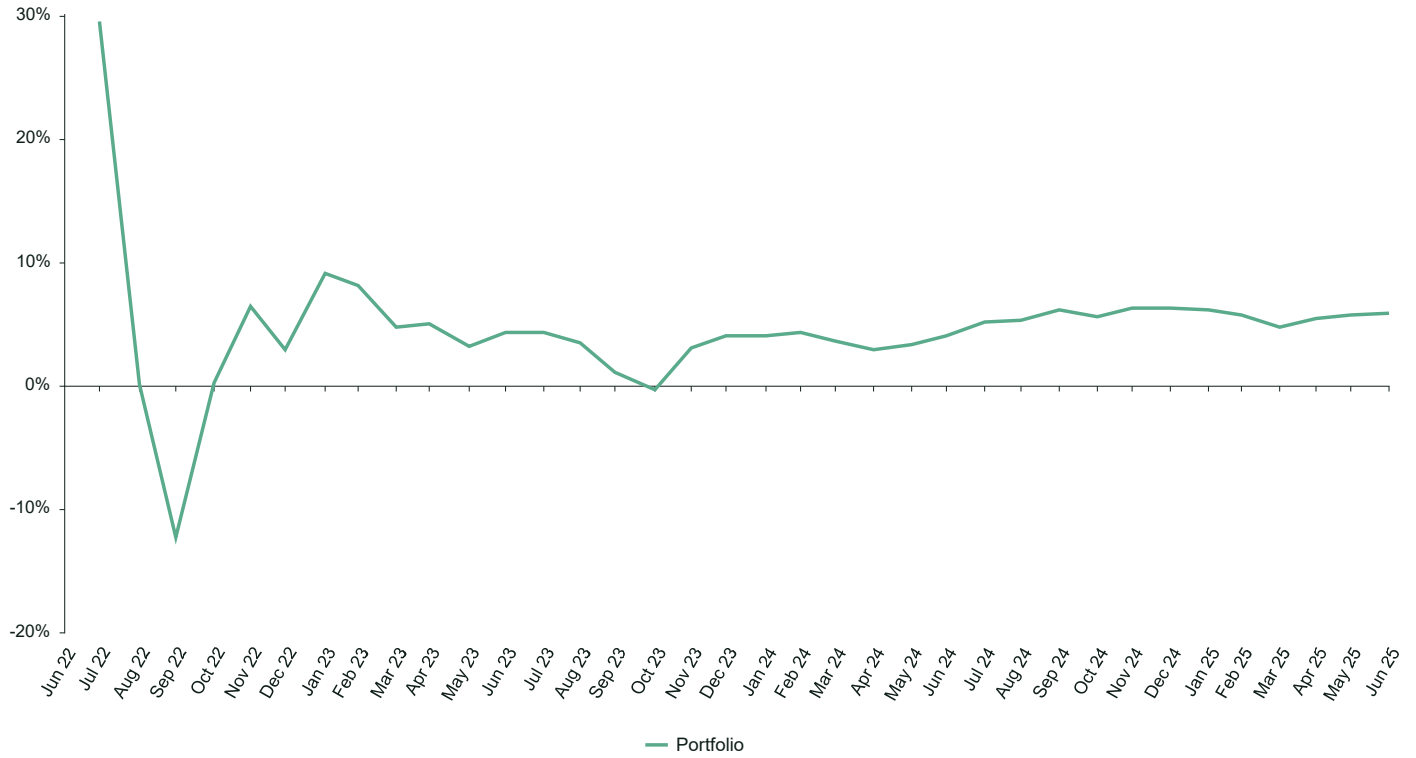


	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	85	
Periods of outperformance	<b>50</b>	41
Realised probability of outperformance	<b>59%</b>	48%
Maximum outperformance	<b>5.97%</b>	4.79%
Maximum underperformance	<b>-3.91%</b>	-3.54%

- Over the period, the portfolio outperformed its benchmark on 59% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 48% of the rolling 3-year periods.



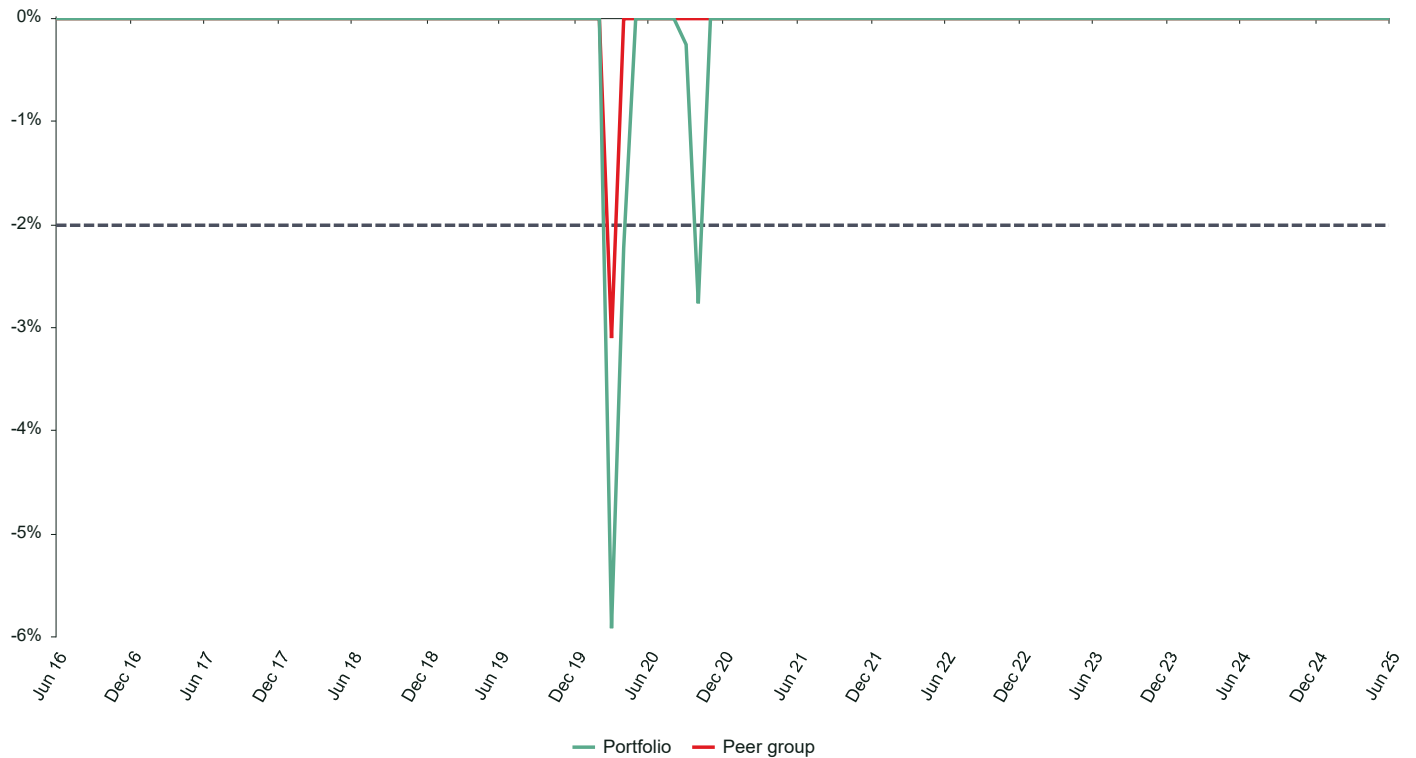
### Portfolio relative to benchmark



- Barring the global market sell-off in 2022, the portfolio has remained ahead of the benchmark.

### 2.3.2 Risk

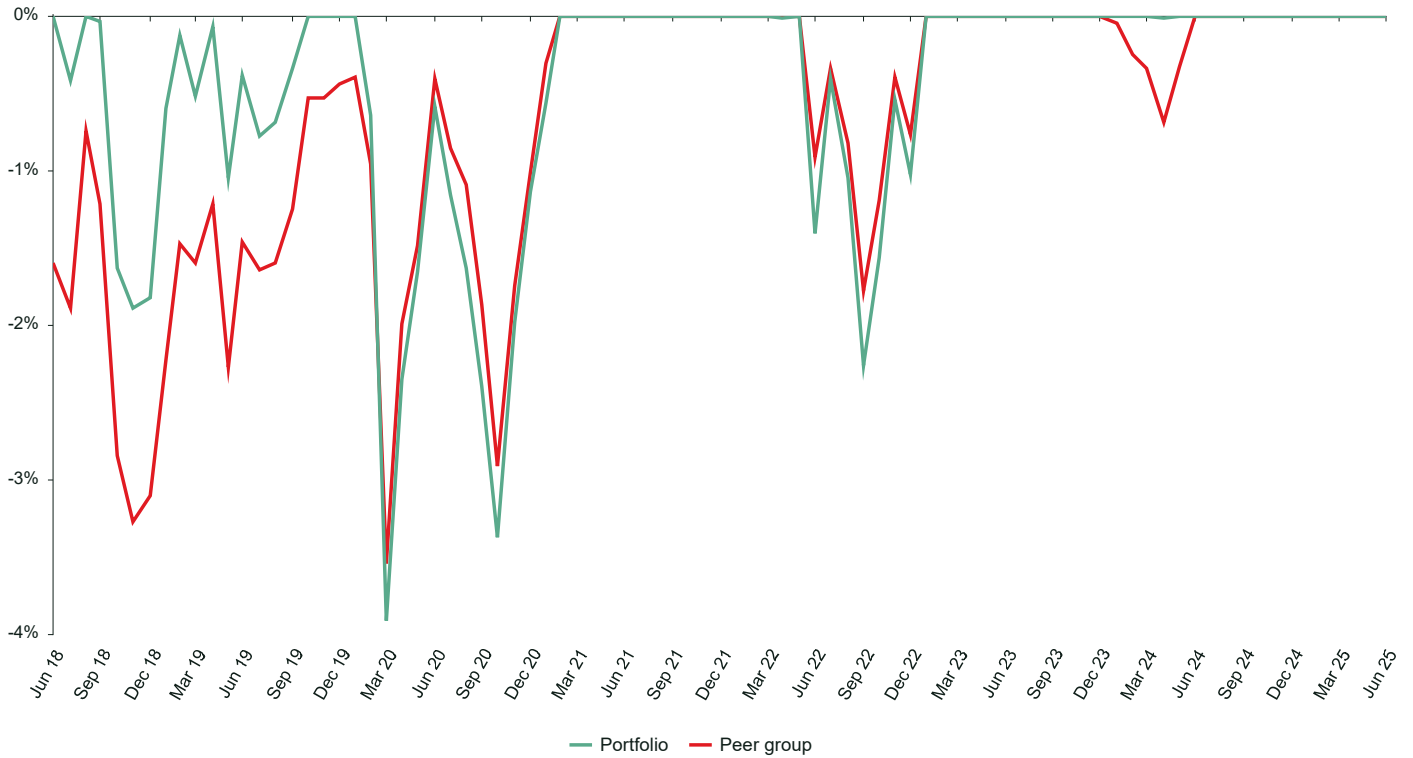
#### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



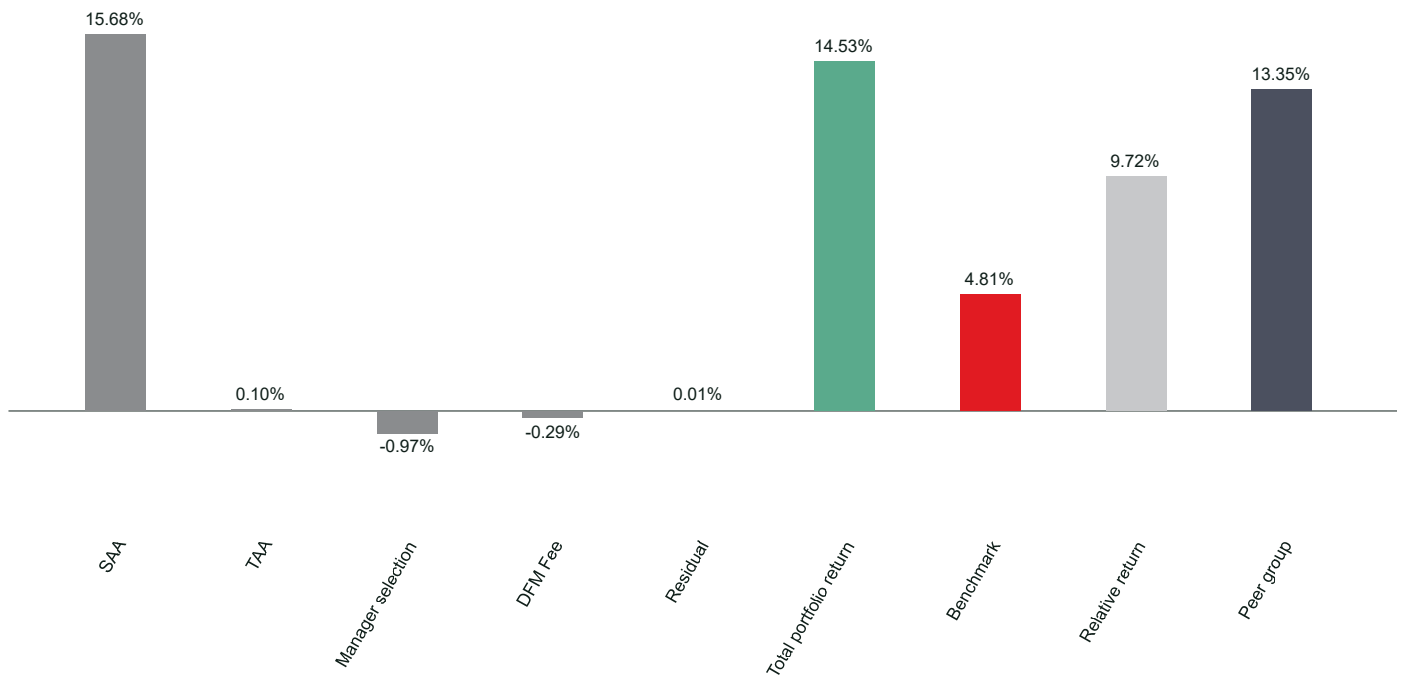
### Rolling investment horizon absolute drawdown over 10 years



- Over the period, the portfolio's drawdown profile has been broadly in line with peers, with periods of minor to moderate relative under- or outperformance from a drawdown perspective. Importantly, the portfolio is not currently in a drawdown.

### 2.3.3 Performance attribution

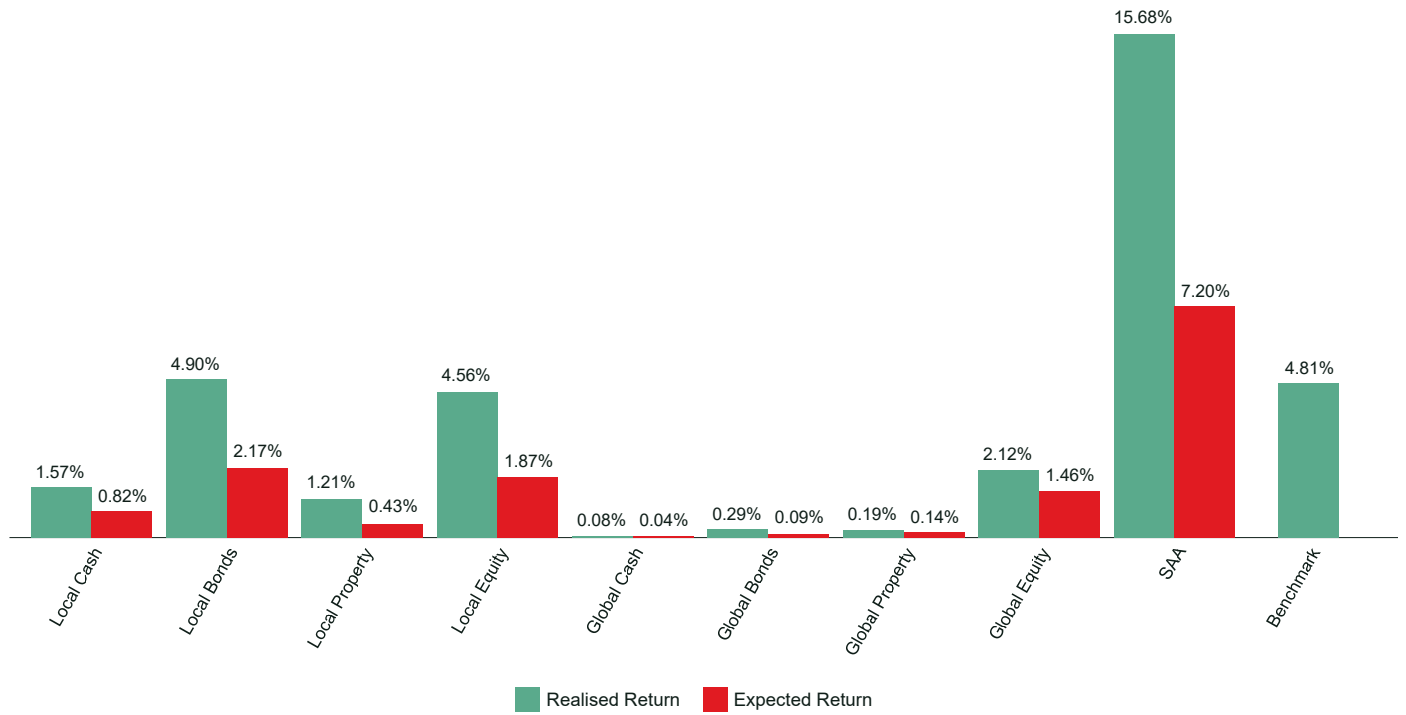
#### Total return attribution over 12 months



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

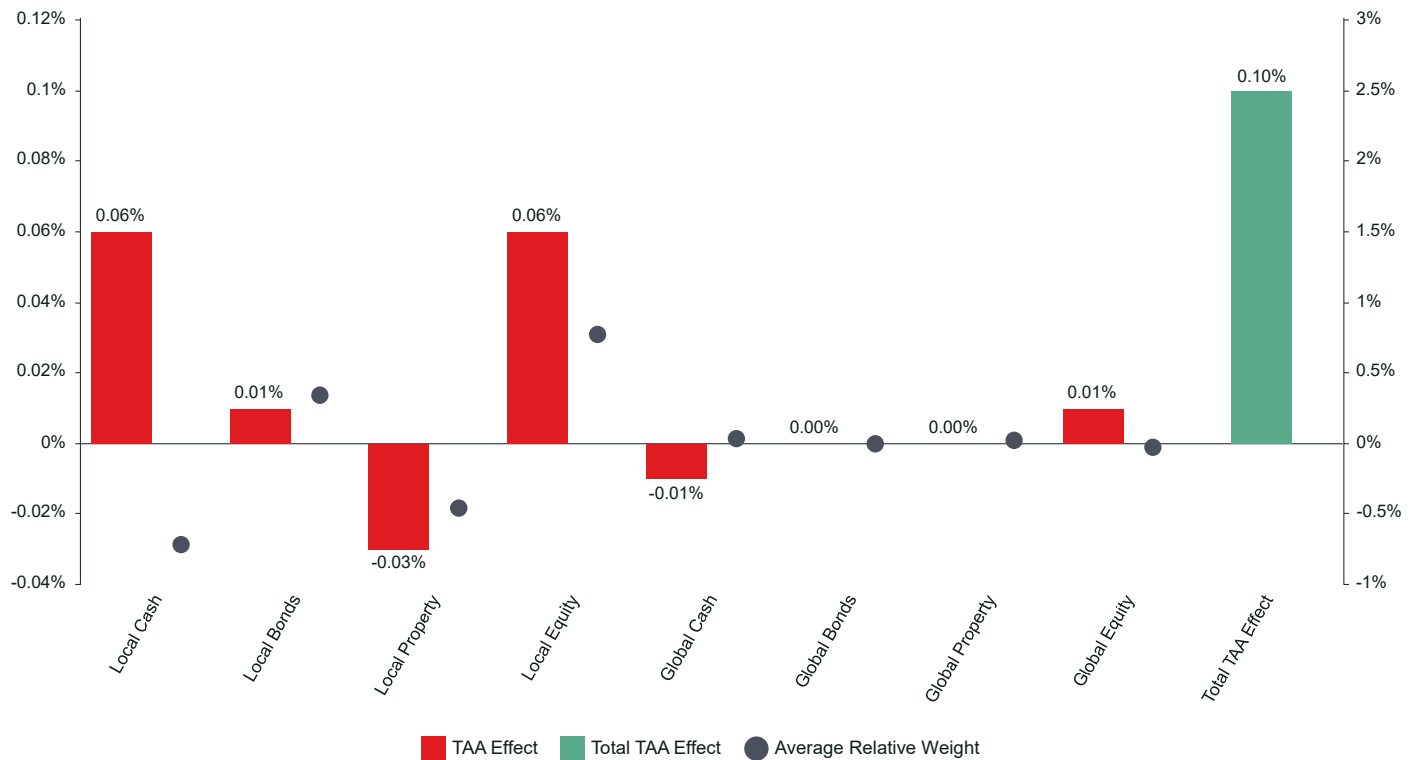


### Strategic asset allocation effects over 12 months



- The graph above illustrates the weighted realised return from each asset class over the period considered relative to our long-term forward-looking expectations.
- All asset classes outperformed our long-term expectations.

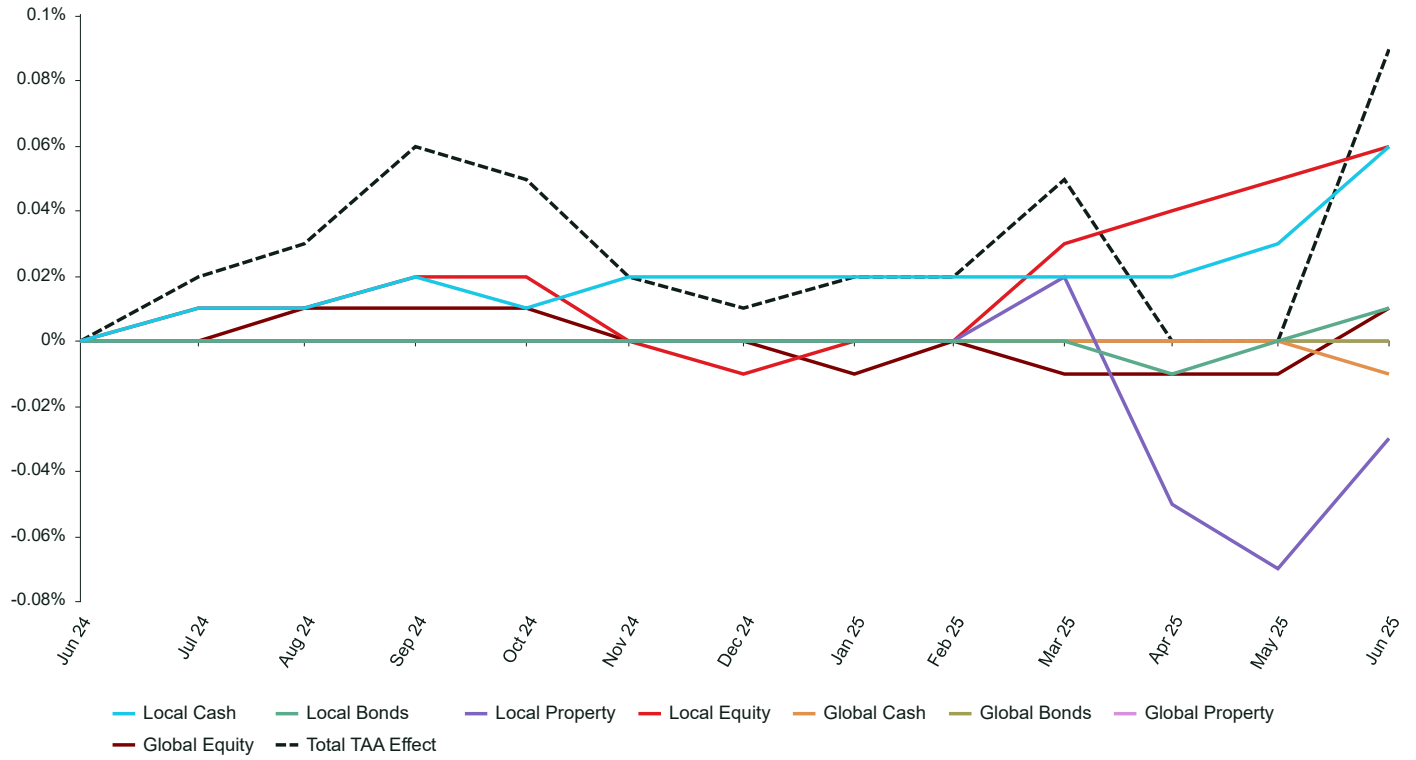
### Tactical asset allocation effects over 12 months



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



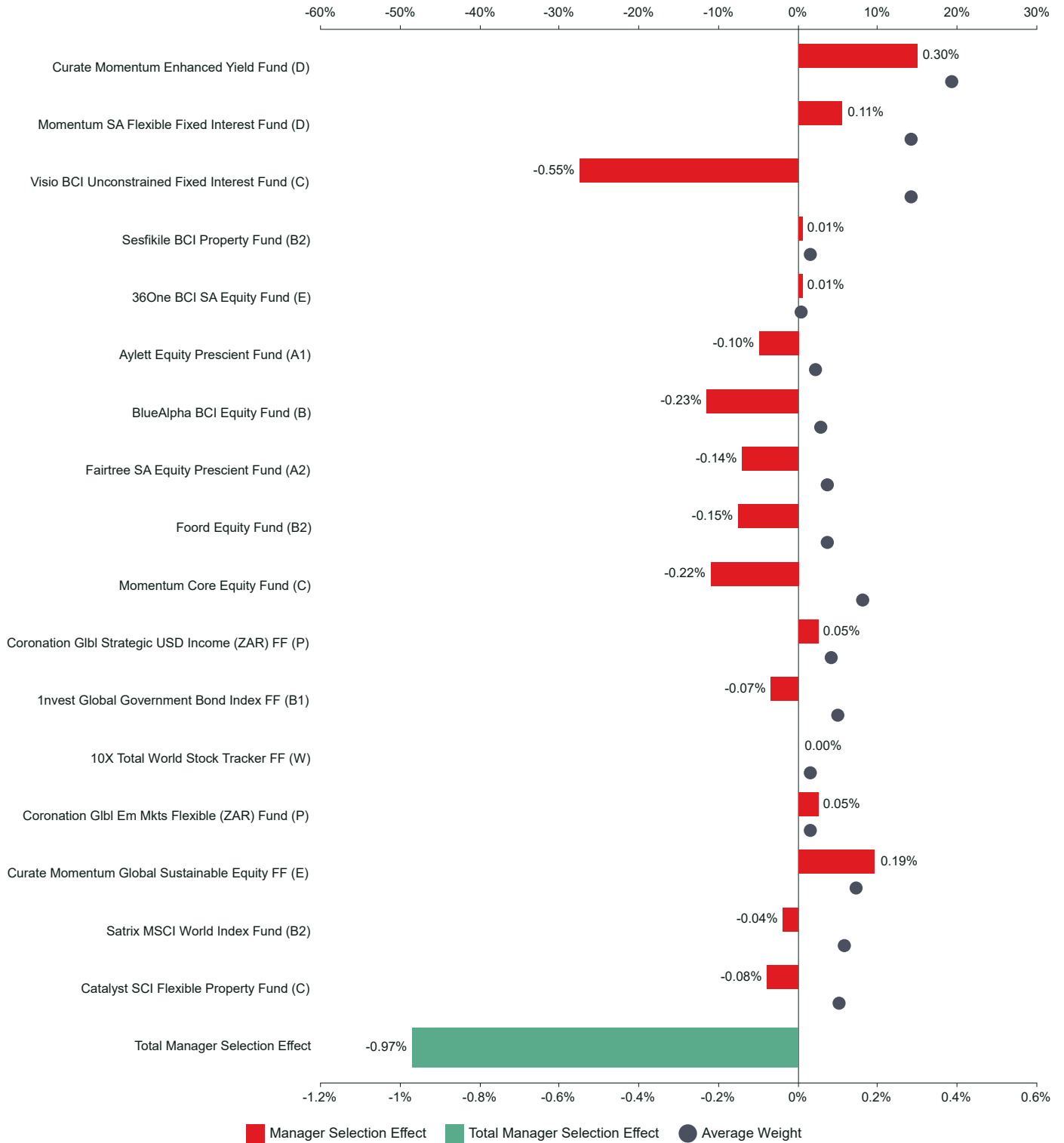
### Cumulative tactical asset allocation effects over 12 months



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

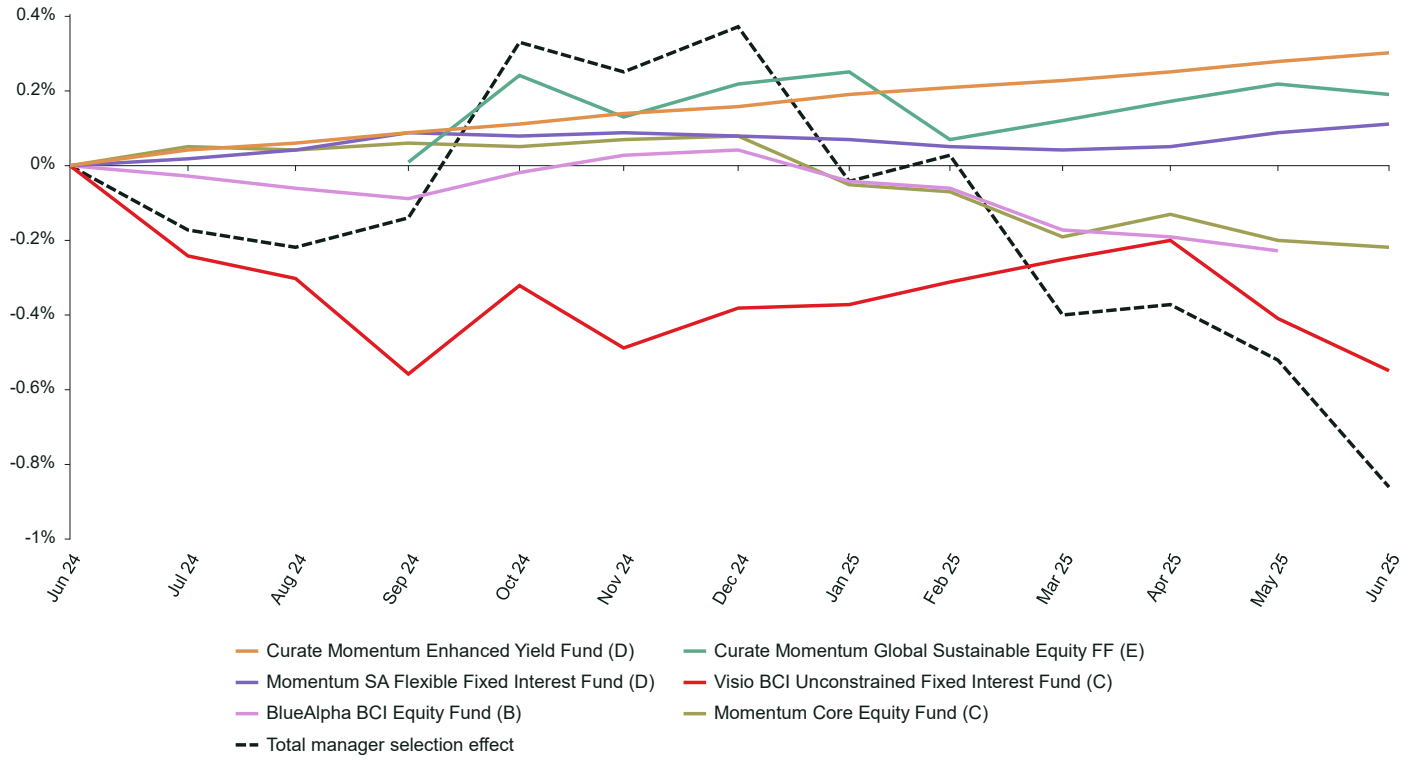


### Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





## 2.4 Equilibrium Stable Portfolio

**Data as at:** 30 June 2025  
**Benchmark:** CPI + 3% over rolling 4-year periods  
**Peer group:** (ASISA) South African MA Medium Equity

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

### 2.4.1 Returns

#### Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
<b>Portfolio</b>	<b>6.36%</b>	<b>5.57%</b>	<b>15.26%</b>	<b>13.34%</b>	<b>10.64%</b>	<b>9.66%</b>	<b>8.45%</b>	<b>8.90%</b>	<b>96</b>
Benchmark	1.61%	3.65%	5.81%	7.00%	8.20%	7.66%	7.84%	7.60%	
SAA	6.38%	7.38%	16.73%	14.35%	11.43%	10.22%	8.97%	9.68%	
Peer group	5.67%	6.50%	14.15%	11.97%	9.94%	8.90%	7.60%	8.21%	

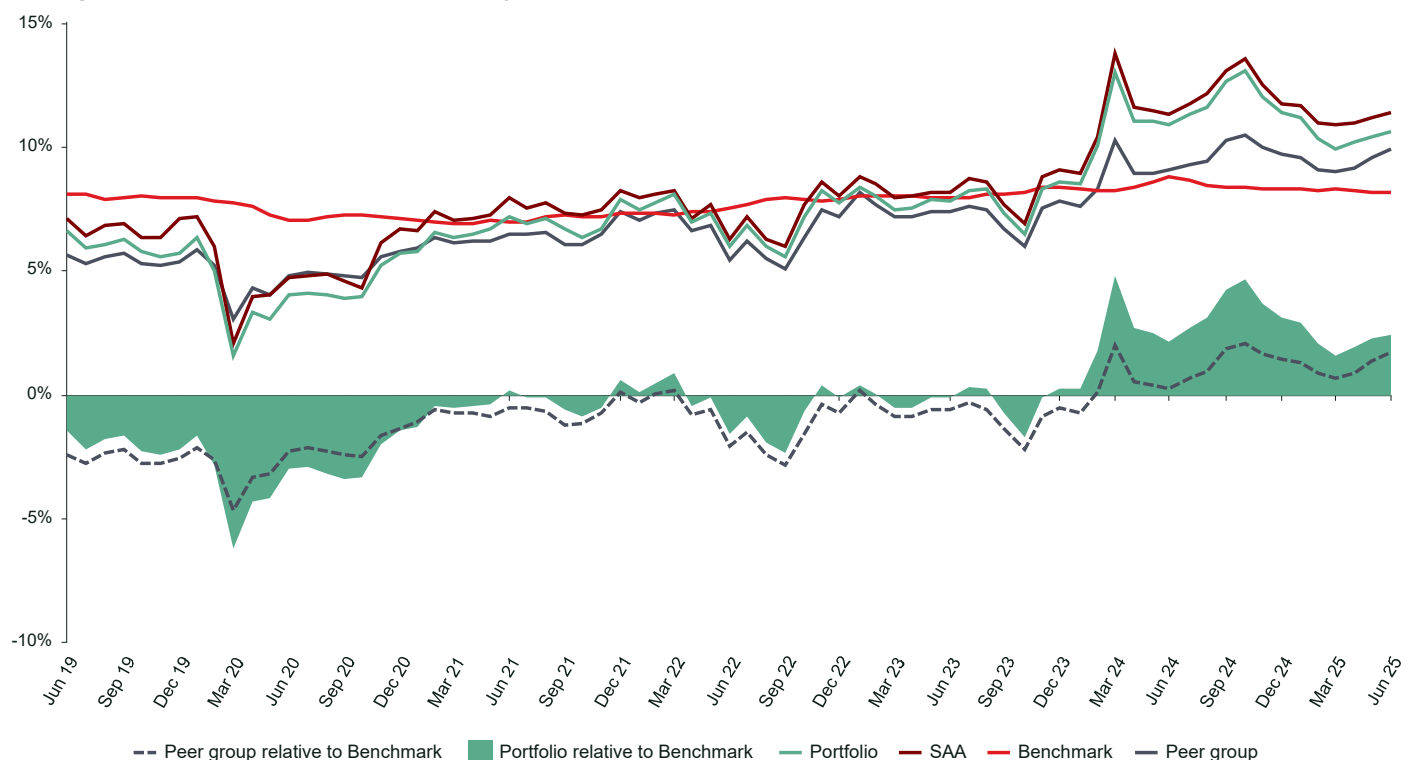
SL = "Since Launch". This is the launch date of the tracker investment. Returns prior to the launch date are calculated on a simulated or back tested basis.

Returns for all periods greater than 1y are annualised.

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

- The portfolio outperformed its benchmark by 2.44% p.a. over the 4-year period. It also outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.47% over the last 12 months, net of all investment related fees.

#### Rolling investment horizon returns over 10 years

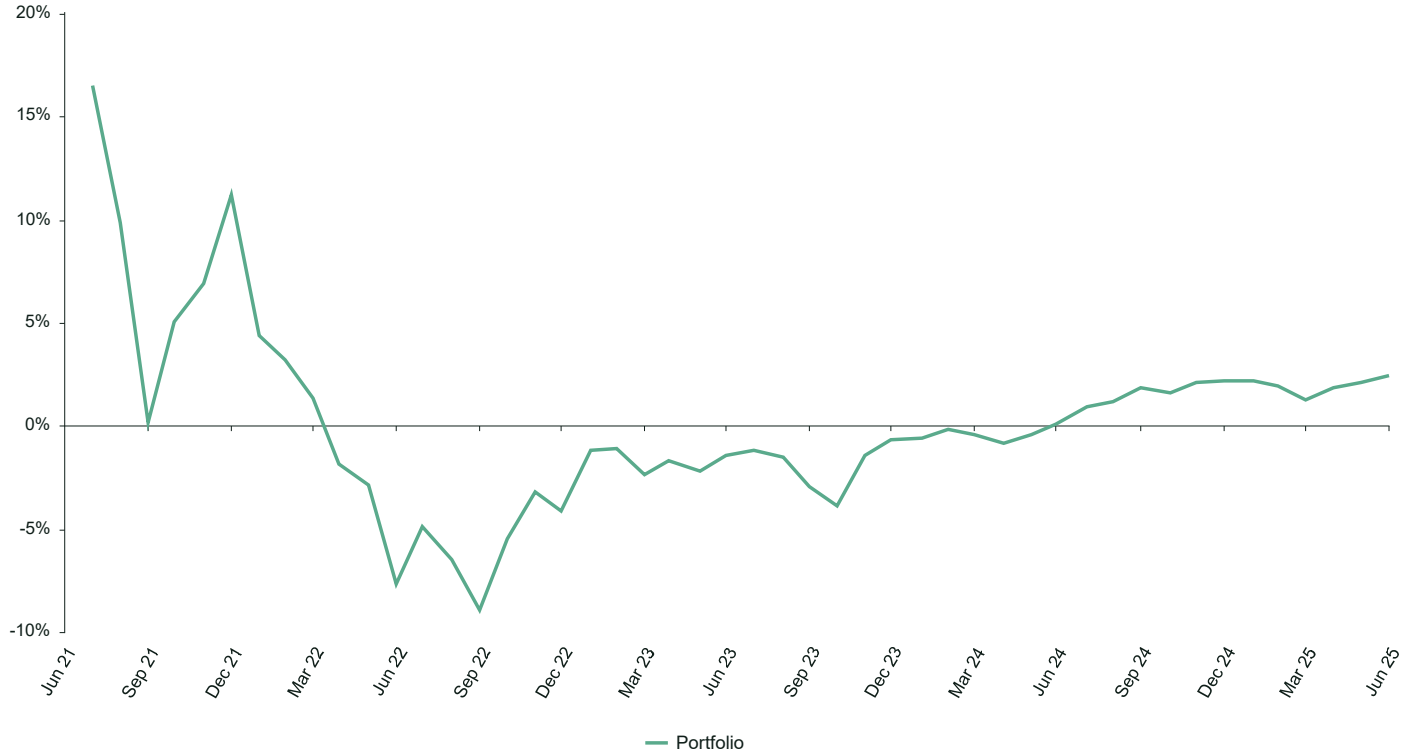


	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	73	
Periods of outperformance	<b>29</b>	21
Realised probability of outperformance	<b>40%</b>	29%
Maximum outperformance	<b>4.80%</b>	2.09%
Maximum underperformance	<b>-6.19%</b>	-4.69%

- Over the period, the portfolio outperformed its benchmark on 40% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 29% 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 is ahead of its benchmark.

### 2.4.2 Risk

#### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



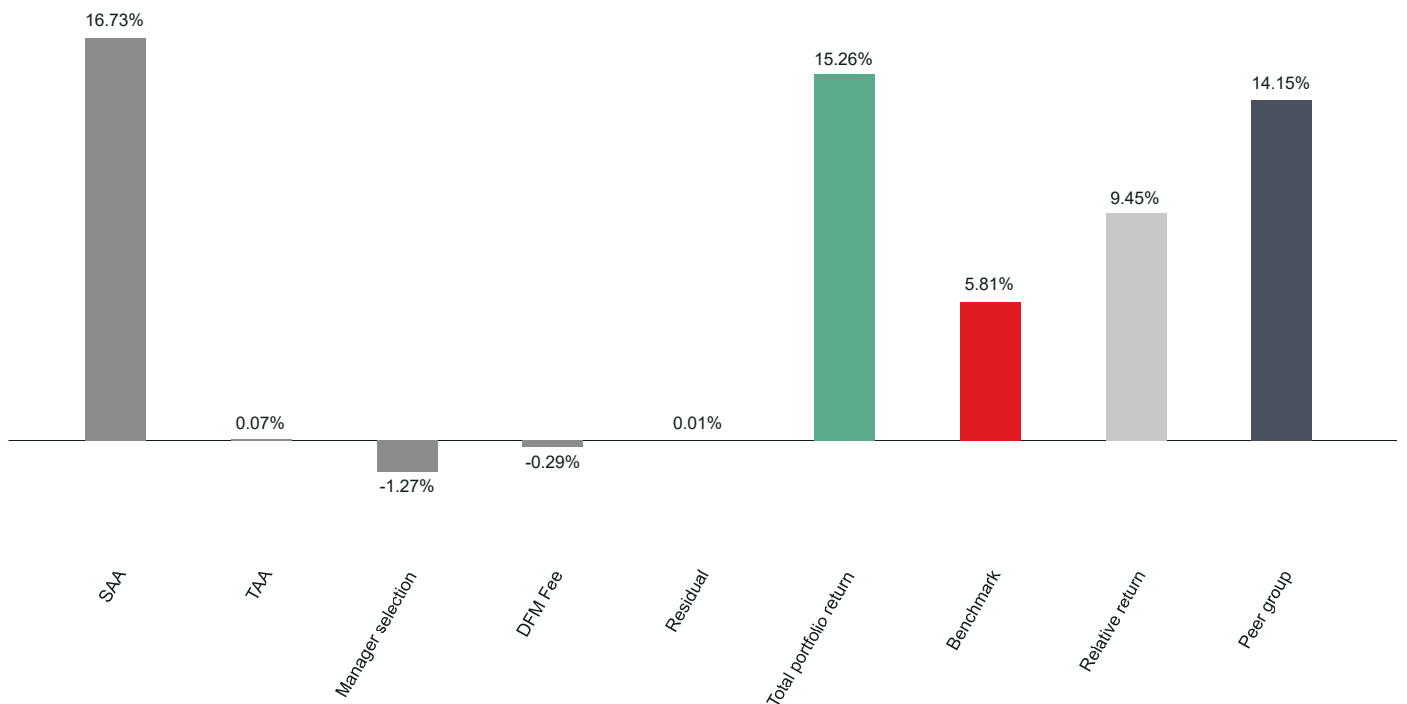
### Rolling investment horizon absolute drawdown over 10 years



- The portfolio experienced a slightly larger drawdown than peers during the 2020 market sell-off and recovery, reflecting its higher relative exposure to property and lower allocation to global equities during the rebound. Since then, drawdowns have been more moderate relative to peers with the portfolio not currently being in a drawdown.

### 2.4.3 Performance attribution

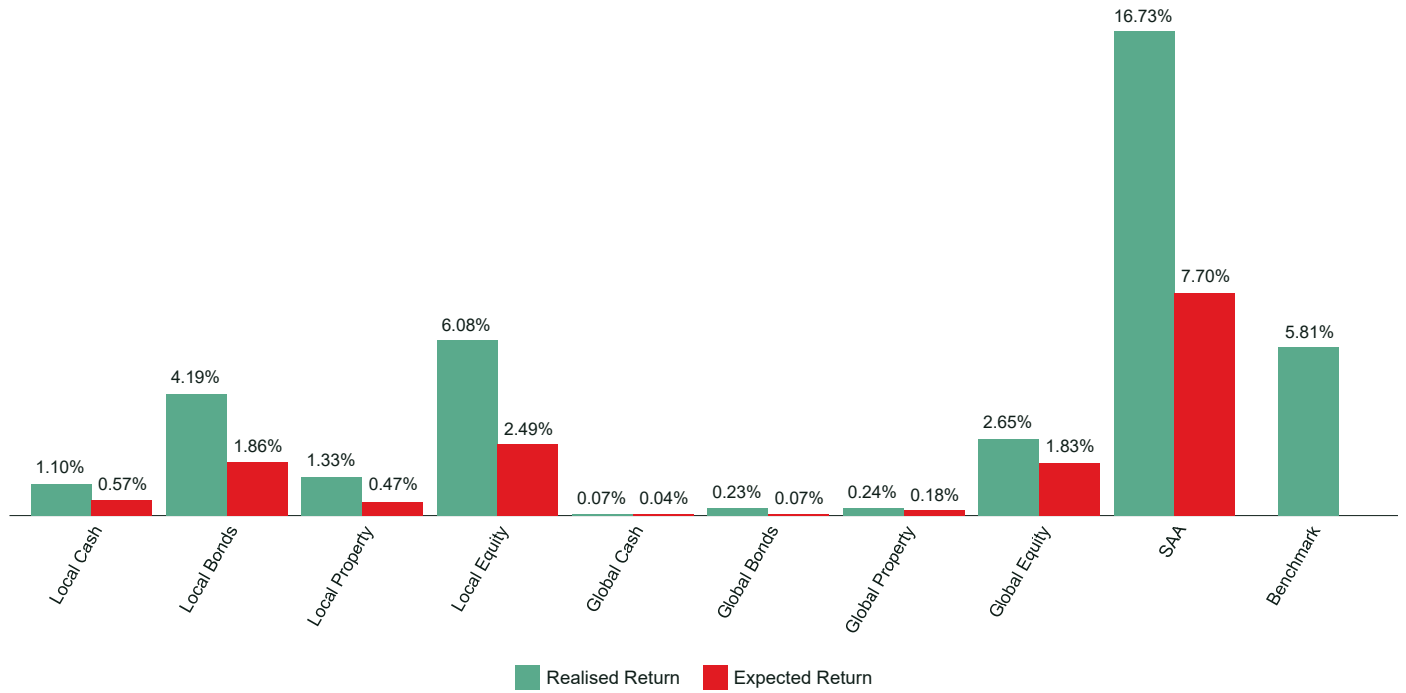
#### Total return attribution over 12 months



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

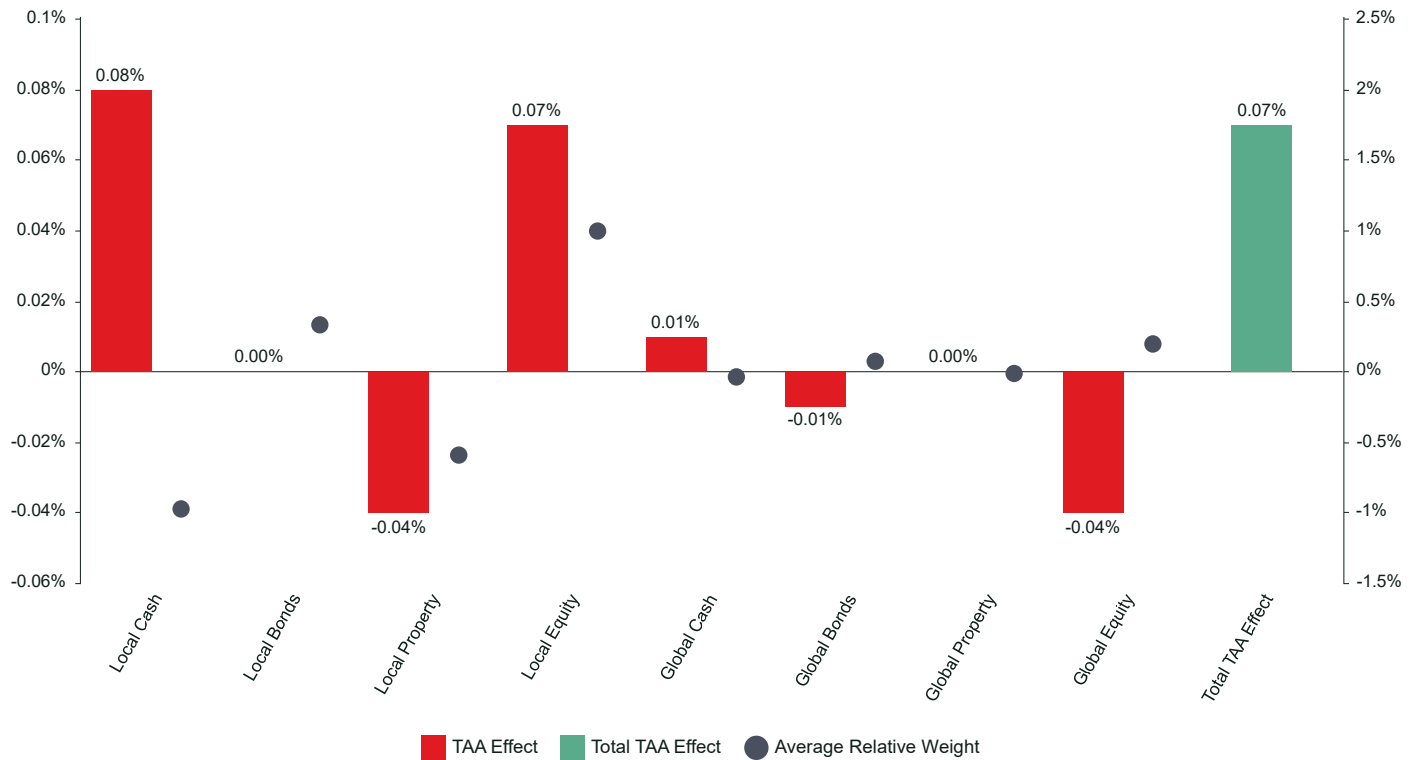


### Strategic asset allocation effects over 12 months



- All asset classes outperformed our long-term expectations.

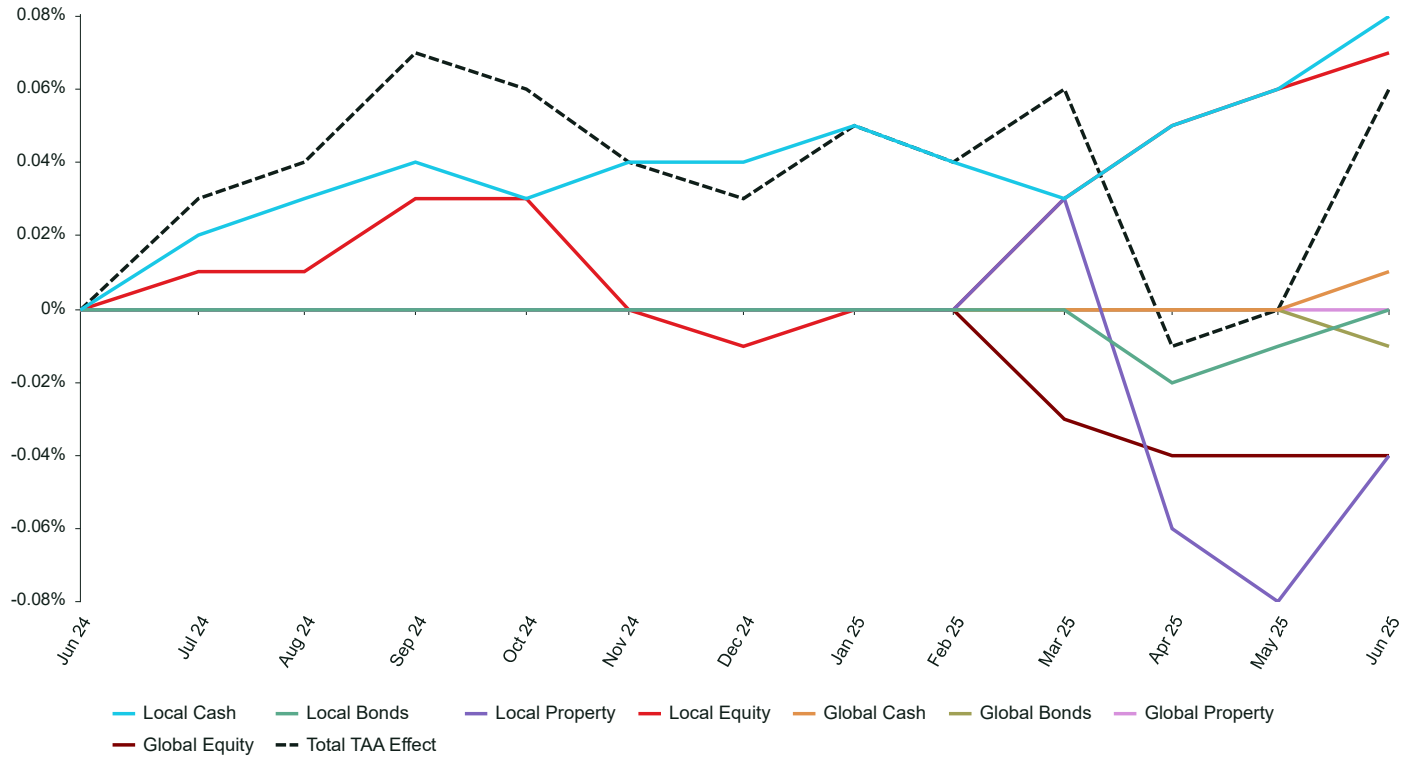
### Tactical asset allocation effects over 12 months



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



### Cumulative tactical asset allocation effects over 12 months



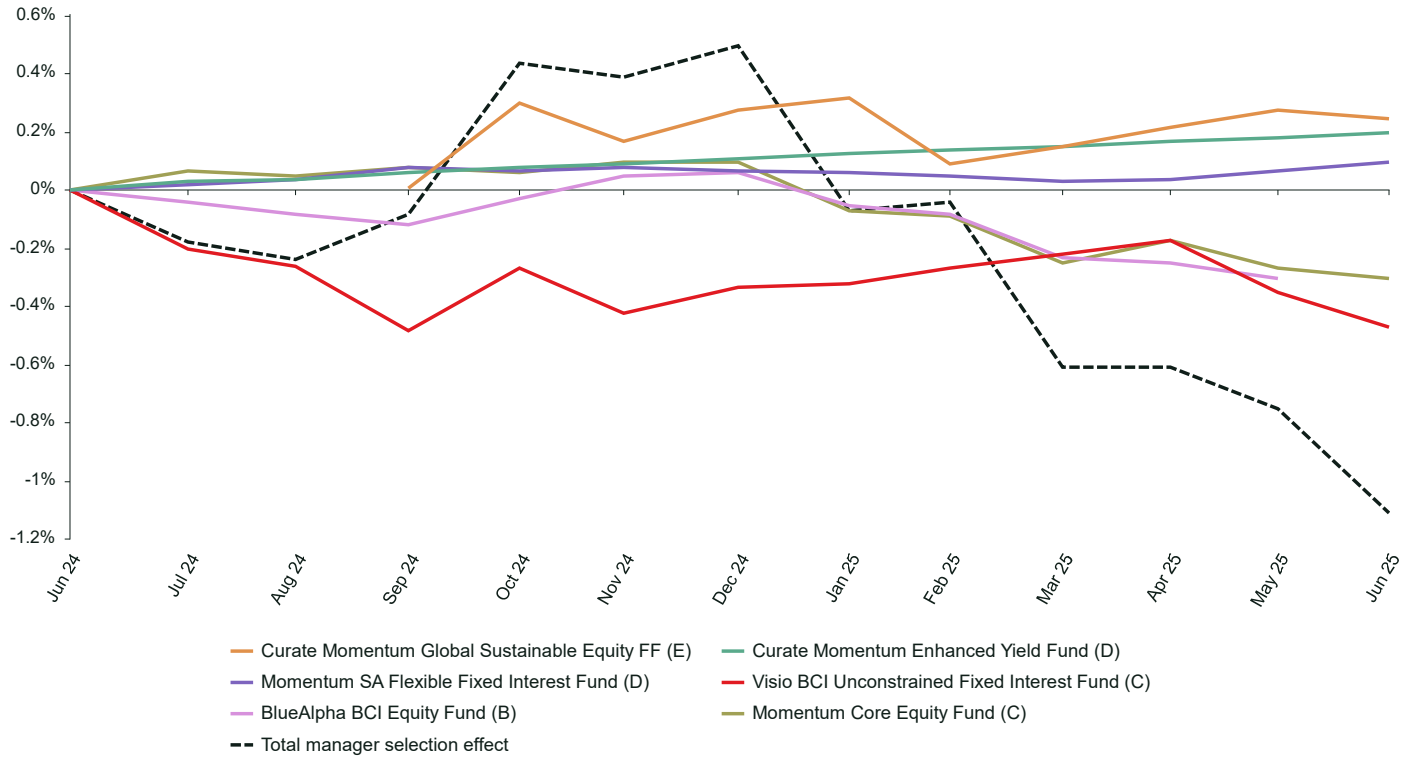


### Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





## 2.5 Equilibrium Moderate Portfolio

**Data as at:** 30 June 2025  
**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

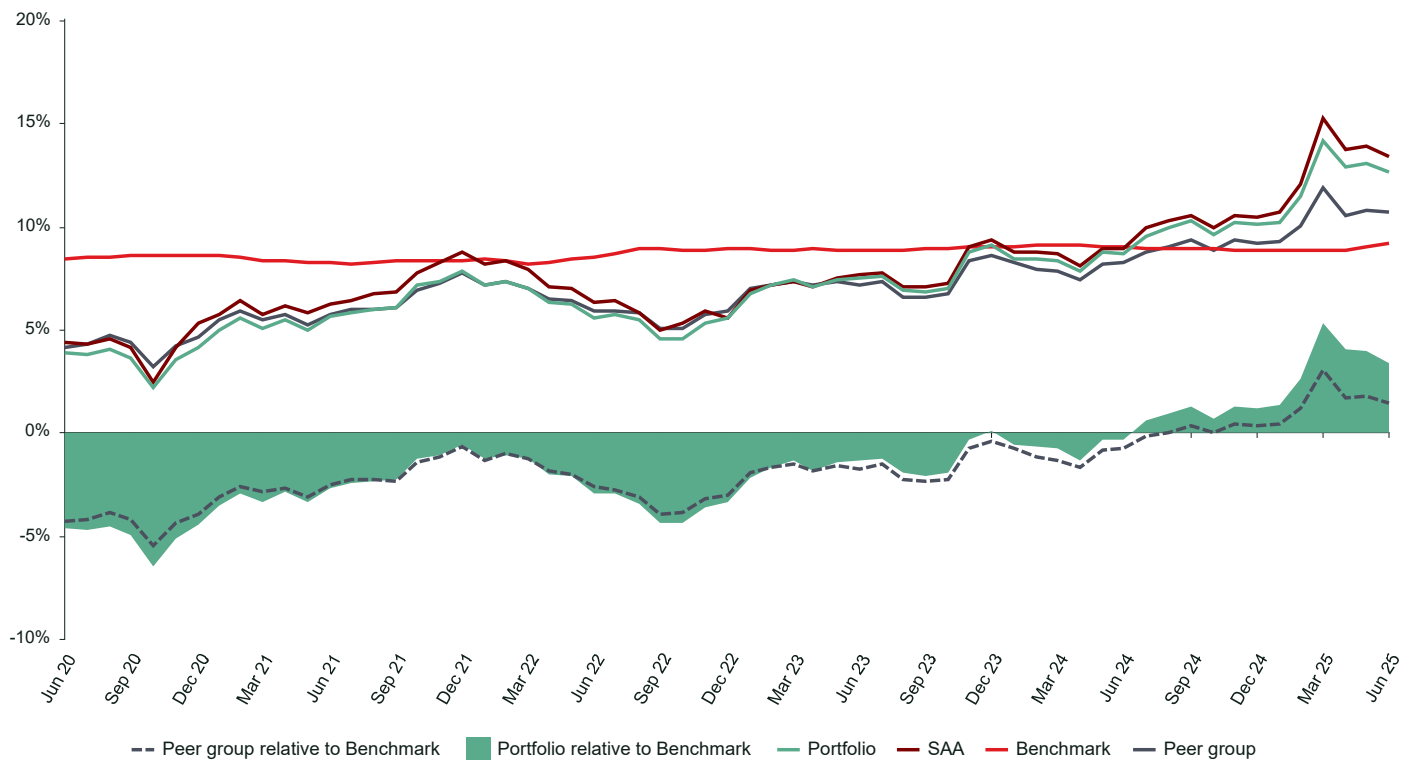
#### Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
<b>Portfolio</b>	<b>6.67%</b>	<b>5.89%</b>	<b>15.83%</b>	<b>14.25%</b>	<b>12.63%</b>	<b>9.27%</b>	<b>8.18%</b>	<b>8.78%</b>	<b>96</b>
Benchmark	1.85%	4.13%	6.81%	8.77%	9.20%	8.64%	8.84%	8.60%	
SAA	6.80%	7.91%	17.39%	15.11%	13.43%	9.68%	8.80%	9.55%	
Peer group	5.67%	6.50%	14.15%	12.43%	10.71%	8.53%	7.40%	8.32%	

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 3.43% p.a. over the 5-year period. It also outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.56% over the last 12 months, net of all investment related fees.

#### Rolling investment horizon returns over 10 years

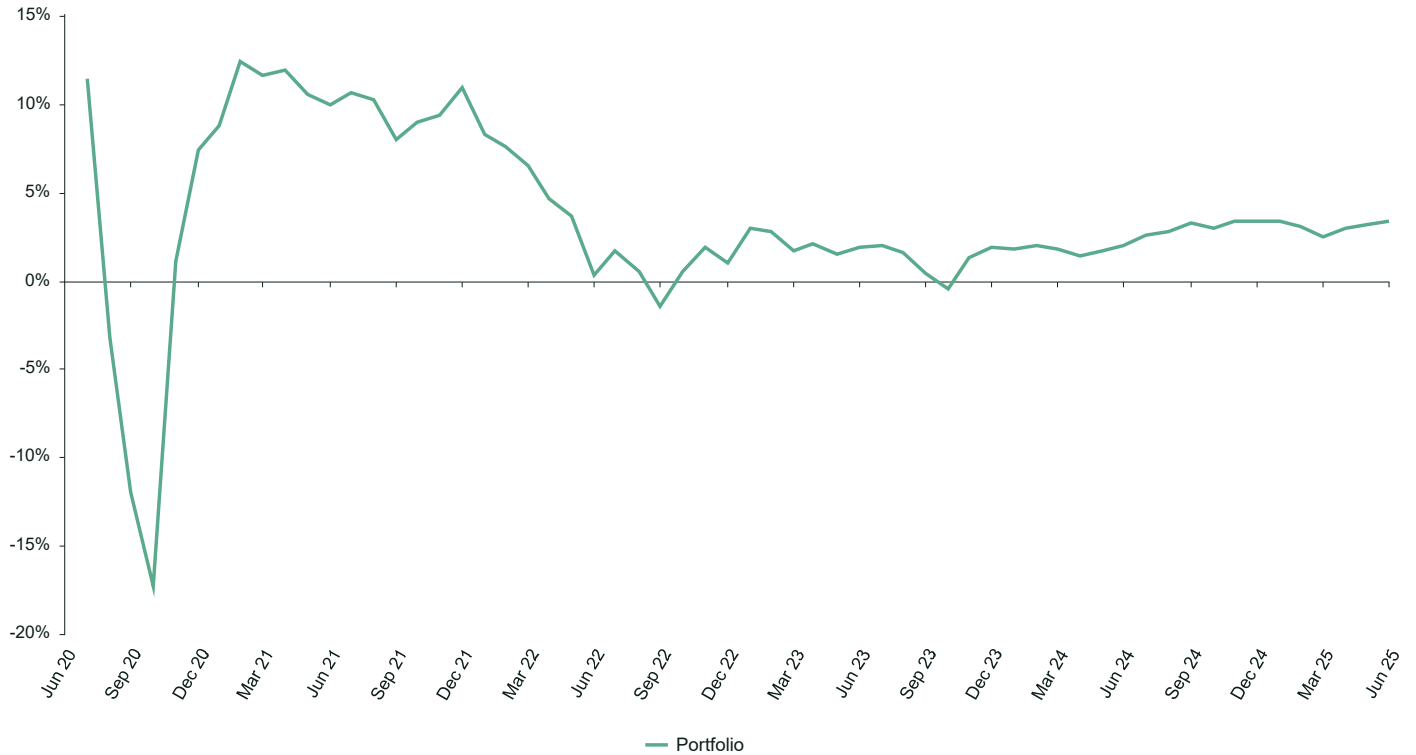


	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations	61	
Periods of outperformance	<b>13</b>	10
Realised probability of outperformance	<b>21%</b>	16%
Maximum outperformance	<b>5.37%</b>	3.03%
Maximum underperformance	<b>-6.45%</b>	-5.42%

- Over the period, the portfolio outperformed its benchmark on 21% of the total rolling 5-year periods. This compares favourably with the peer group, which outperformed on 16% of the total the rolling 5-year periods.



### Portfolio relative to benchmark



- While the portfolio has at times underperformed the benchmark during periods of acute market stress, its recovery profile has been strong and has consistently outperformed its benchmark in more stable or less dislocated market environments, including the current period, where it remains ahead of the benchmark despite elevated volatility.

### 2.5.2 Risk

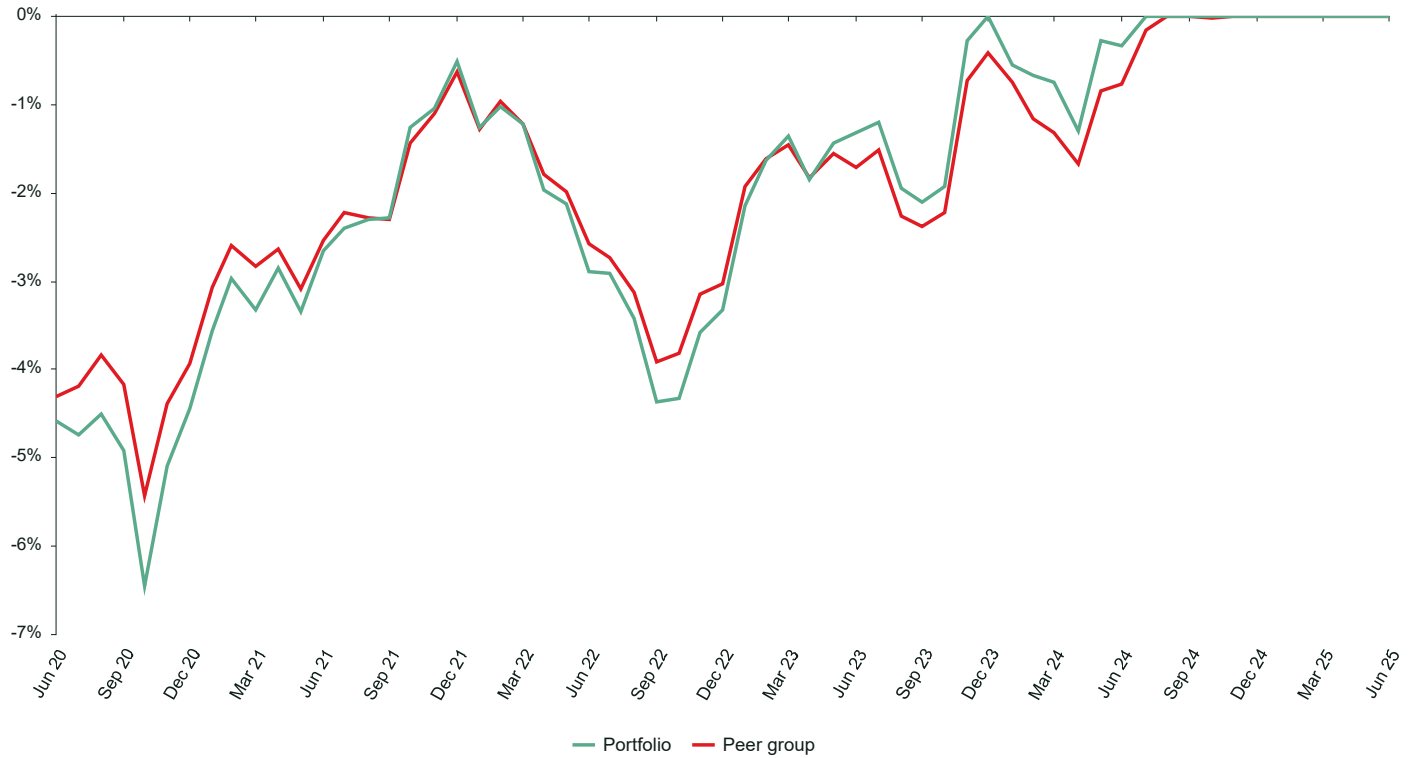
#### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



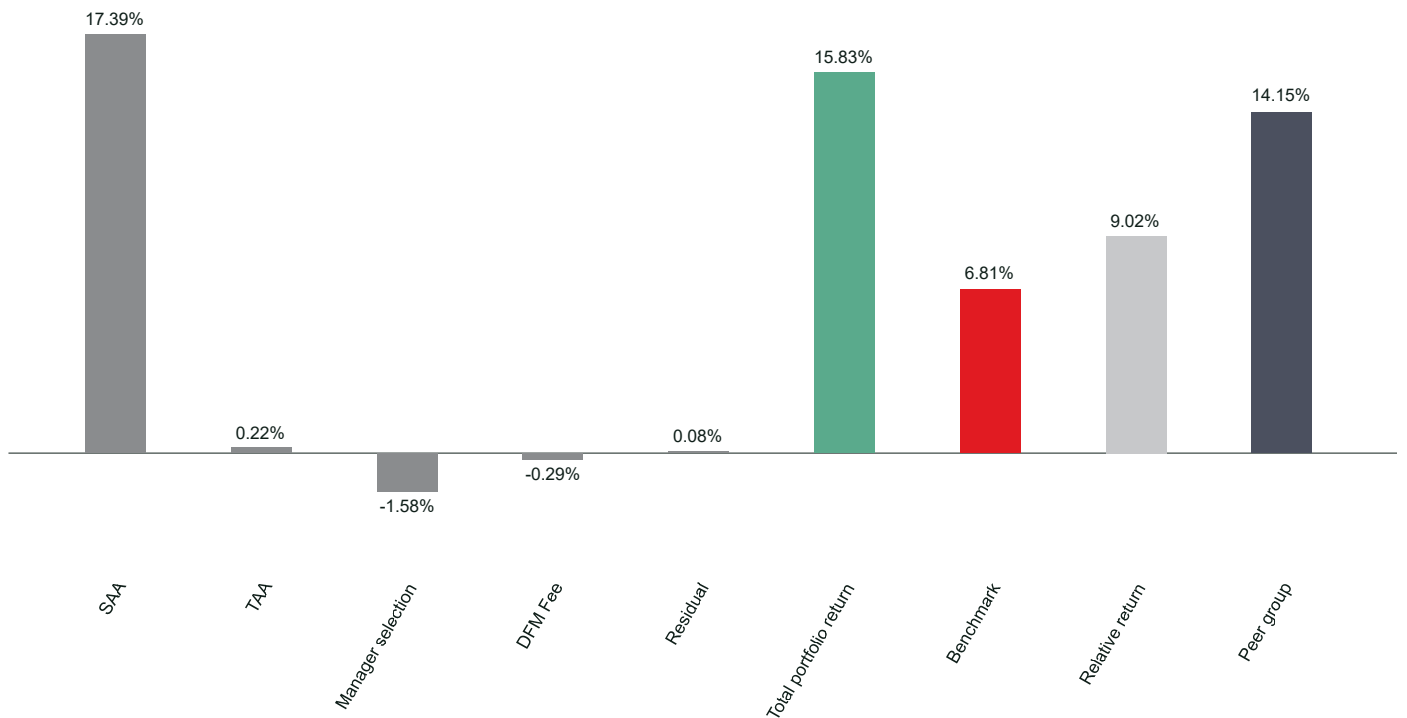
### Rolling investment horizon absolute drawdown over 10 years



- Over the period, the portfolio's drawdown profile has been broadly in line with peers, with periods of minor to moderate relative under- or outperformance from a drawdown perspective. Importantly, the portfolio is not currently in a drawdown.

### 2.5.3 Performance attribution

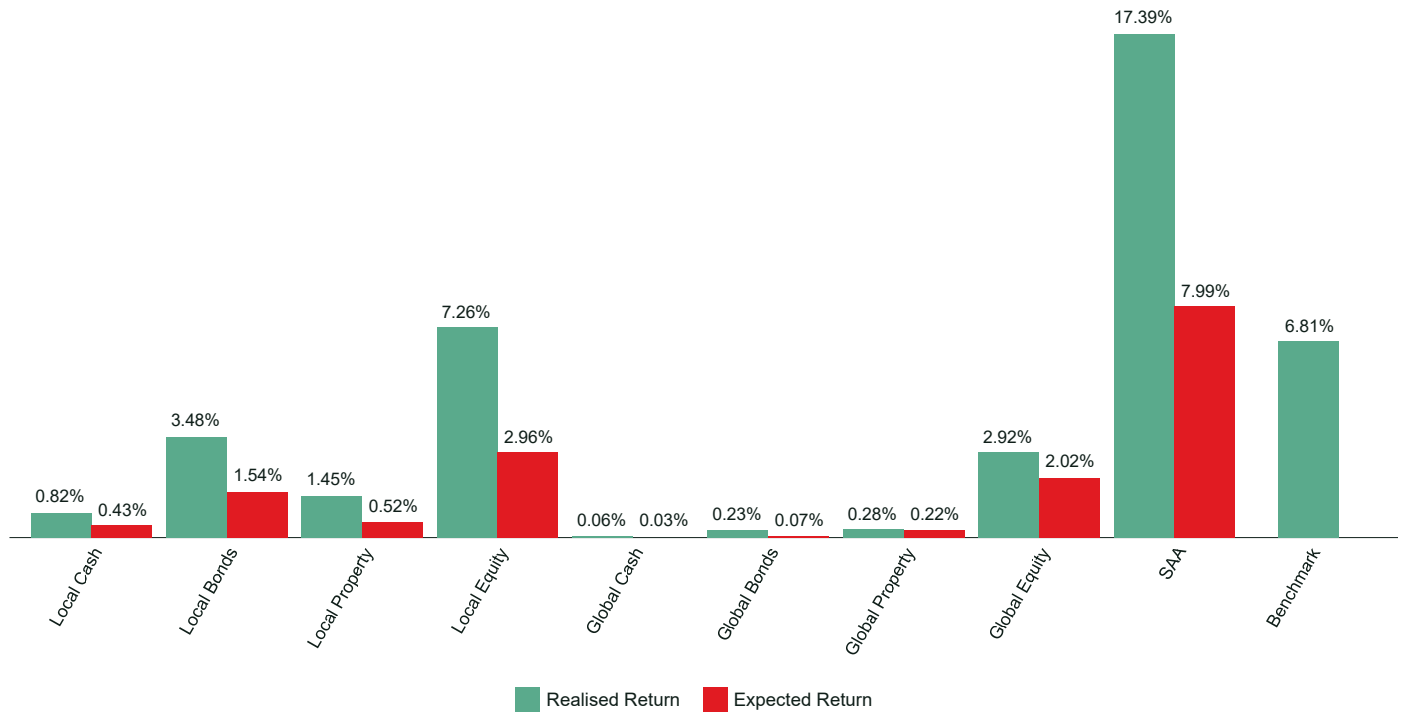
#### Total return attribution over 12 months



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

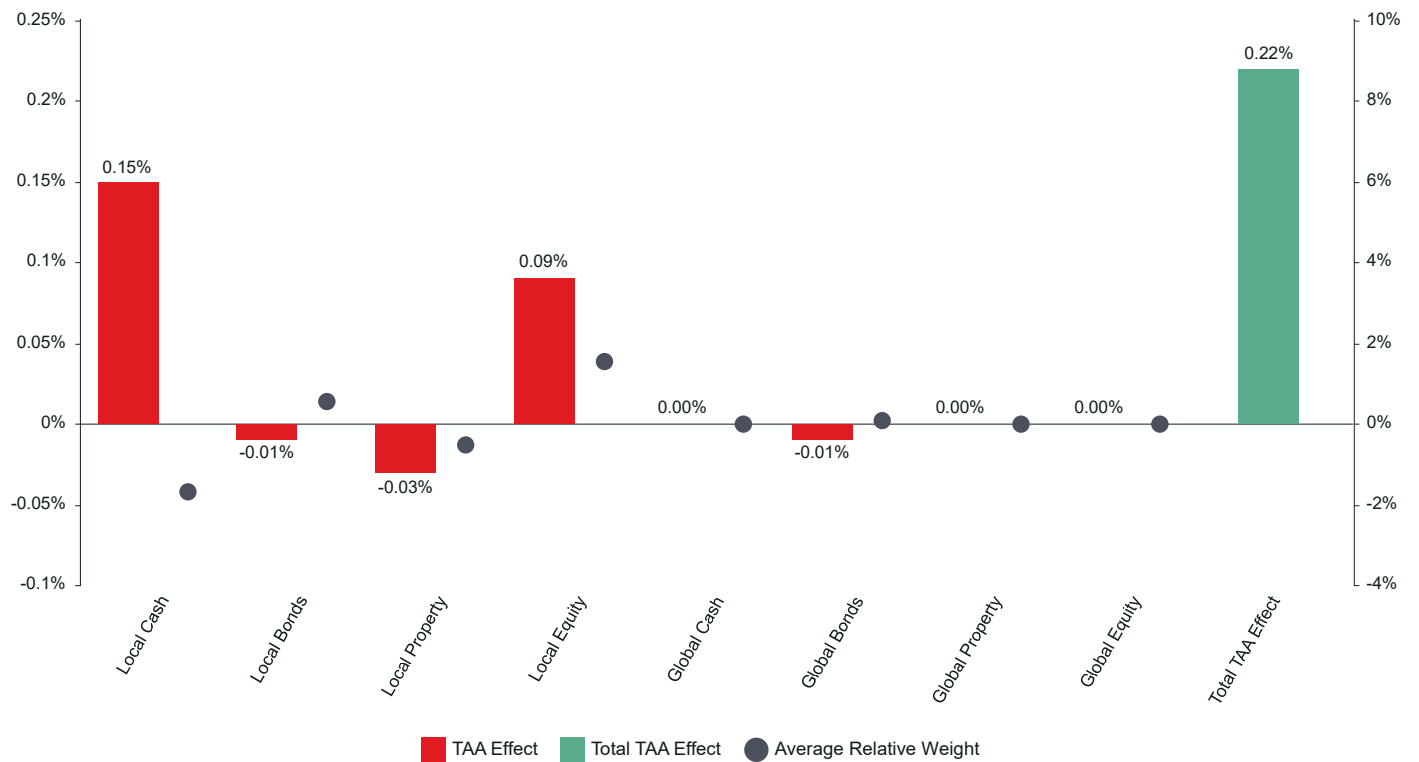


### Strategic asset allocation effects over 12 months



- All asset classes outperformed our long-term expectations.

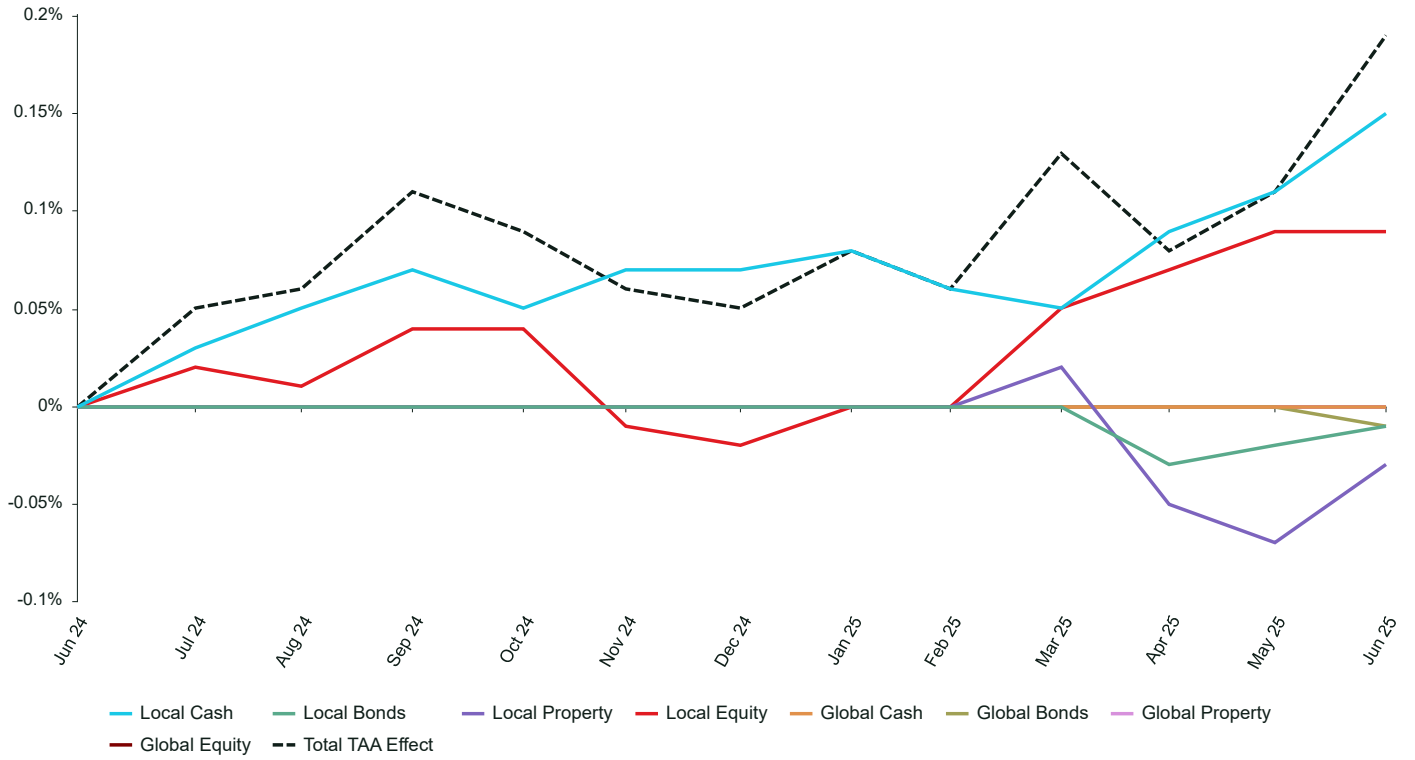
### Tactical asset allocation effects over 12 months



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

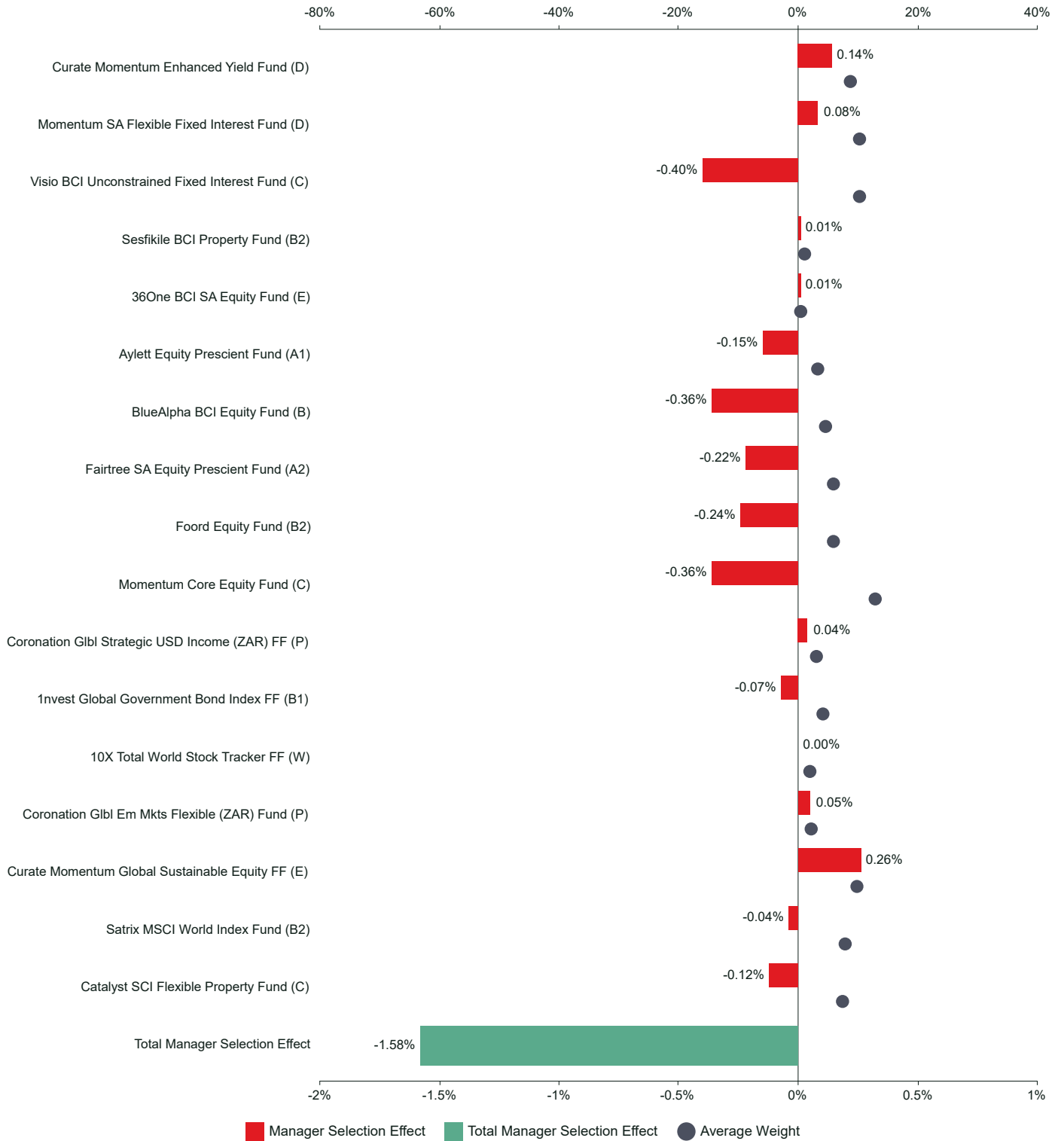


### Cumulative tactical asset allocation effects over 12 months



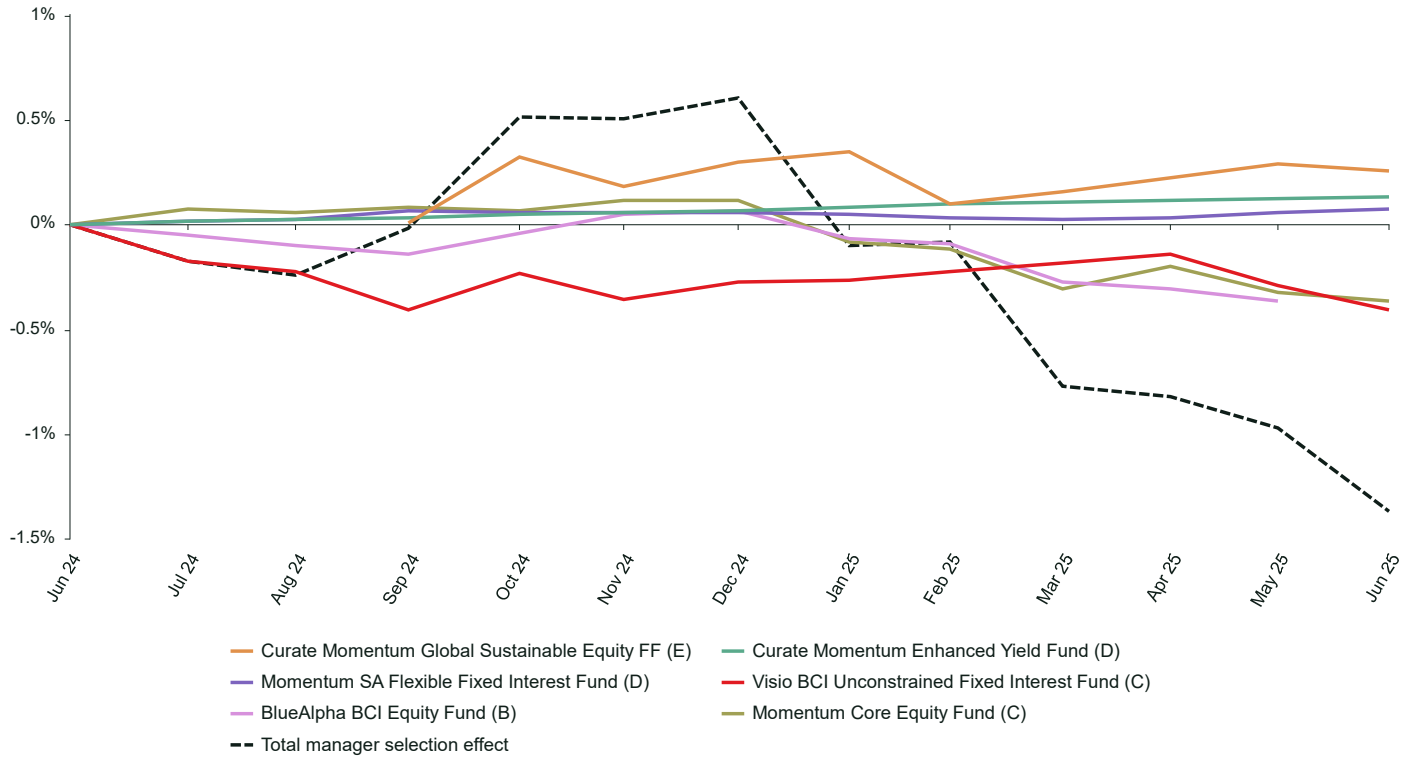


### Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





## 2.6 Equilibrium Balanced Portfolio

**Data as at:** 30 June 2025  
**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

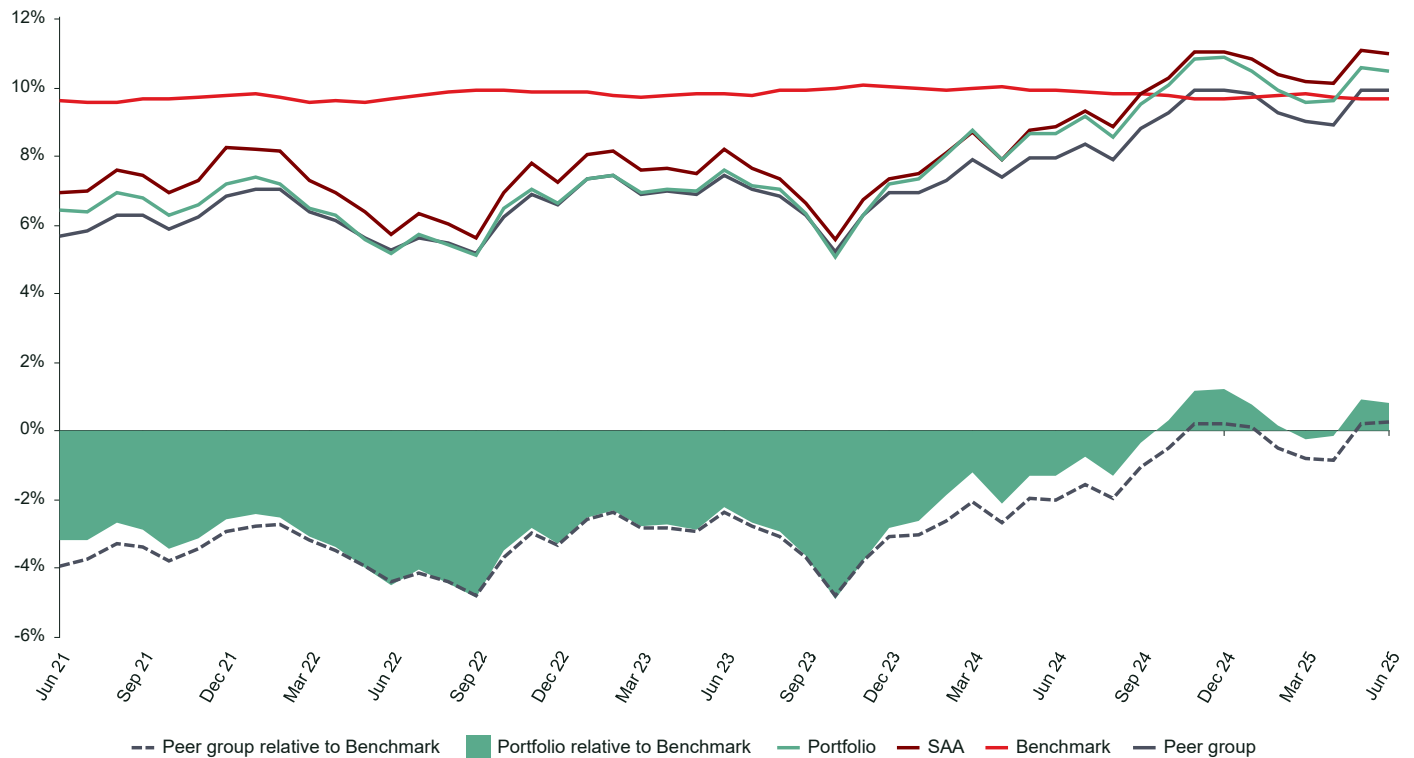
#### Trailing returns

	3m	6m	1y	2y	4y	6y	10y	SL	Mths SL
<b>Portfolio</b>	<b>7.16%</b>	<b>6.01%</b>	<b>16.41%</b>	<b>14.05%</b>	<b>11.50%</b>	<b>10.48%</b>	<b>8.43%</b>	<b>9.19%</b>	<b>96</b>
Benchmark	2.09%	4.61%	7.81%	9.00%	10.20%	9.66%	9.84%	9.60%	
SAA	7.37%	8.45%	18.25%	15.40%	12.55%	11.00%	9.13%	9.98%	
Peer group	6.35%	7.08%	15.15%	12.71%	10.62%	9.94%	7.64%	8.73%	

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

- The portfolio outperformed its benchmark by 0.82% p.a. over the 6-year period. It also outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.84% over the last 12 months, net of all investment related fees.

#### Rolling investment horizon returns over 10 years

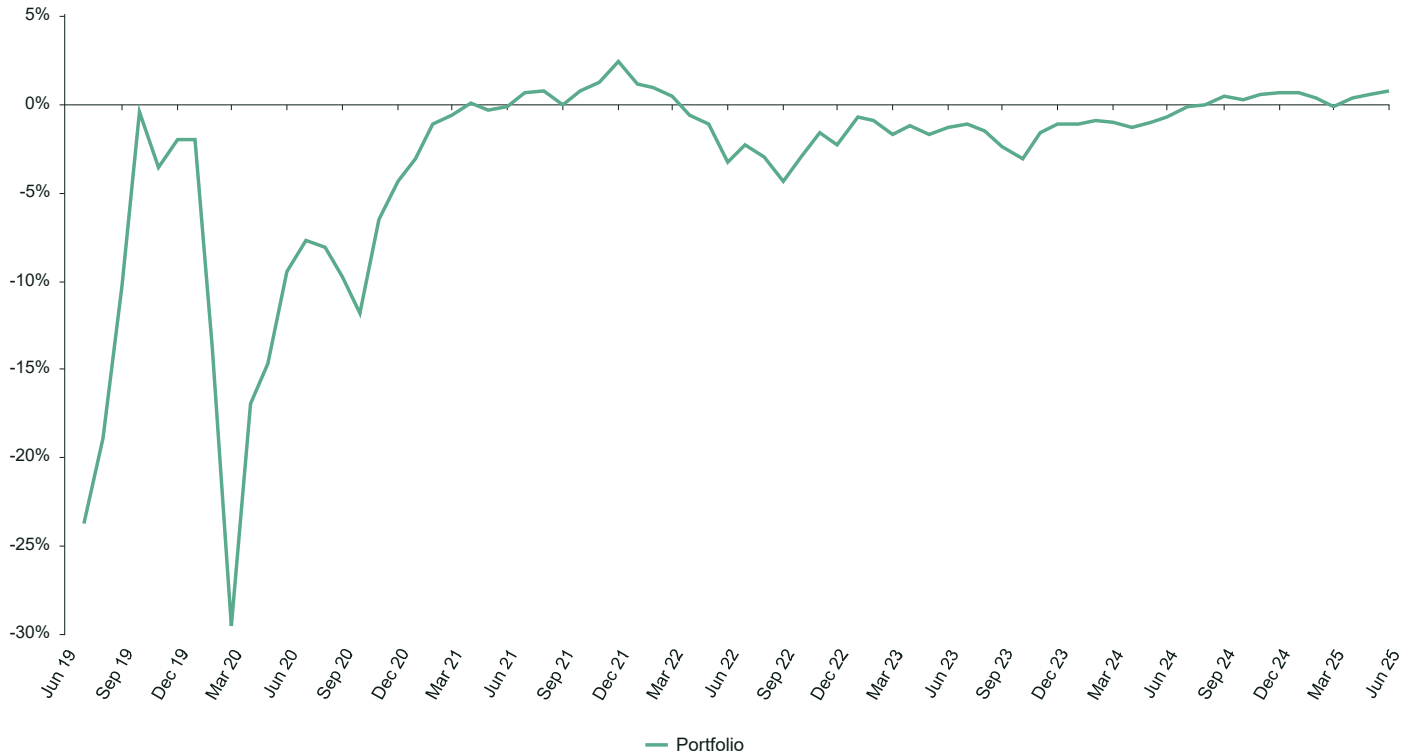


	Portfolio relative to benchmark	Peer group relative to benchmark
Number of observations		49
Periods of outperformance	<b>7</b>	5
Realised probability of outperformance	<b>14%</b>	10%
Maximum outperformance	<b>1.25%</b>	0.27%
Maximum underperformance	<b>-4.91%</b>	-4.77%

- Over the period, the portfolio outperformed its benchmark on 14% of the total rolling 6-year periods. This compares favourably with the peer group, which only managed to outperform on 10% of the rolling 6-year periods.



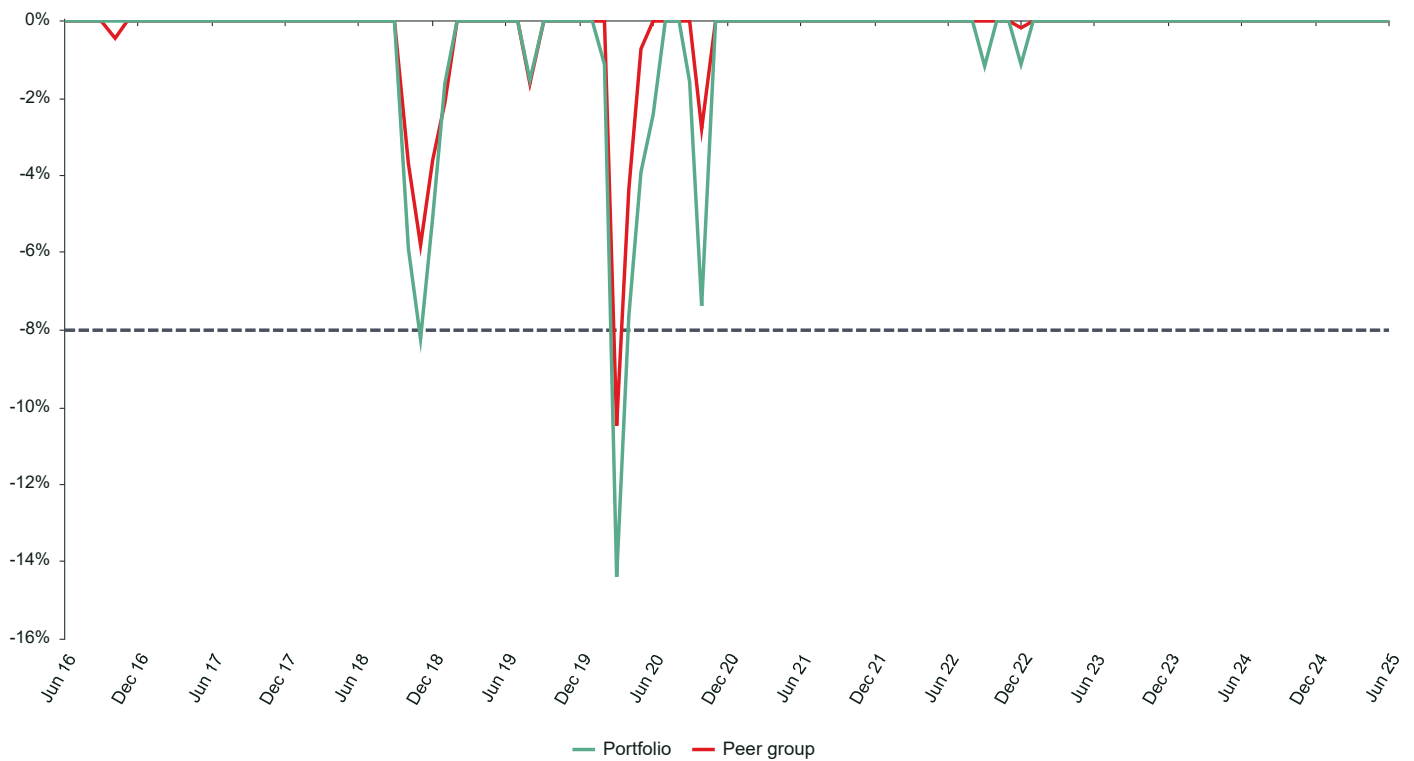
### Portfolio relative to benchmark



- The portfolio underperformed the benchmark during the 2020 market sell-off, primarily due to its relatively higher exposure to property. It also lagged during the initial recovery, given a lower allocation to global equities, which delivered strong outperformance. However, the portfolio's positioning has been supportive, and performance has since recovered with the portfolio ending the period ahead of its benchmark.

## 2.6.2 Risk

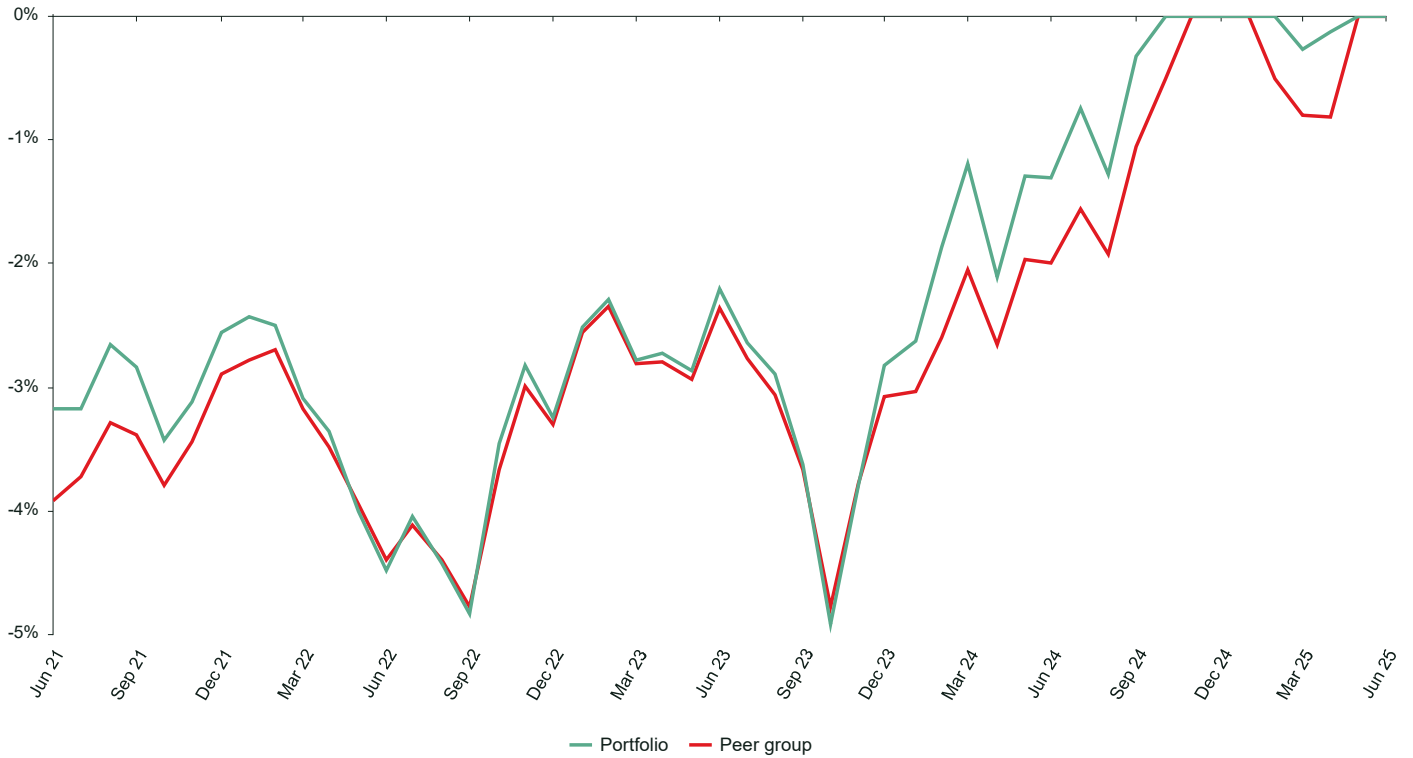
### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



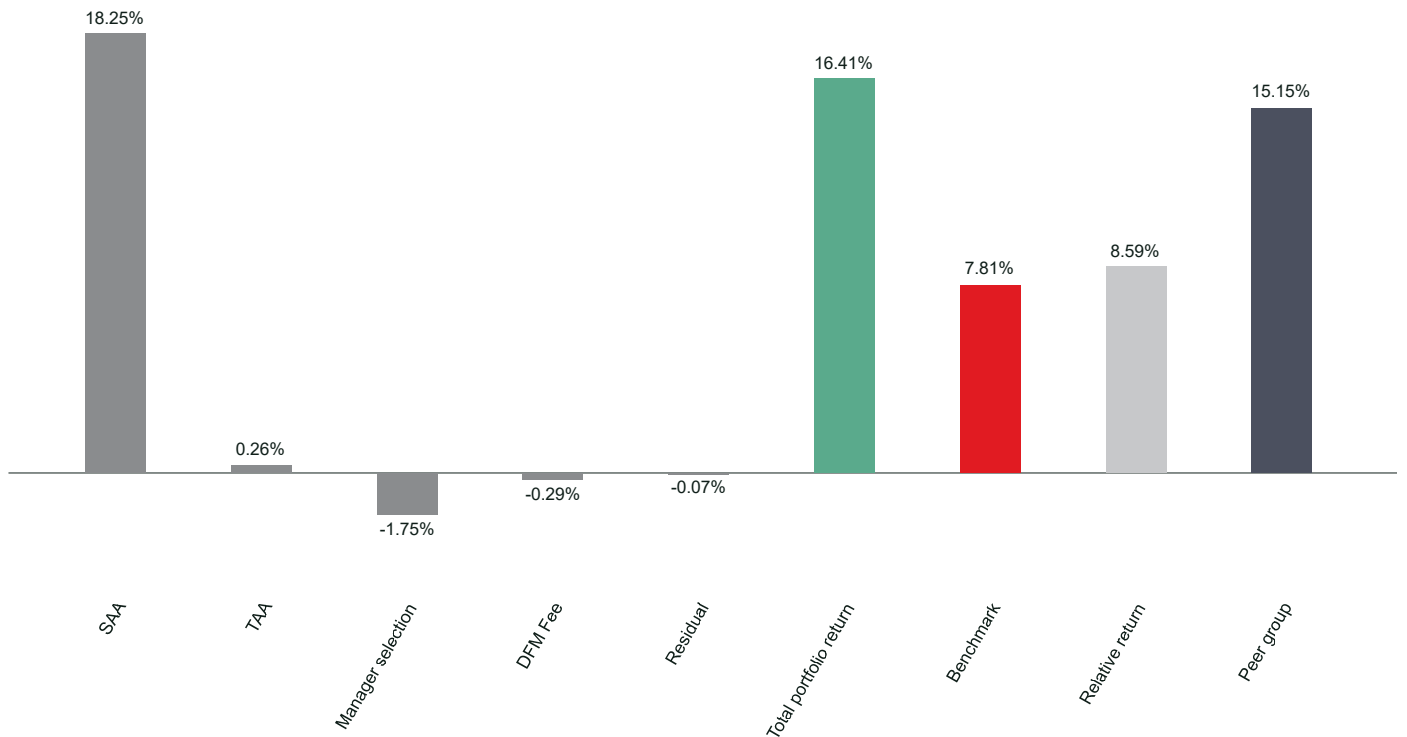
### Rolling investment horizon absolute drawdown over 10 years



- The portfolio exhibited a more favourable drawdown, and recovery, profile relative to peers over the period. The portfolio is not currently in a drawdown.

### 2.6.3 Performance attribution

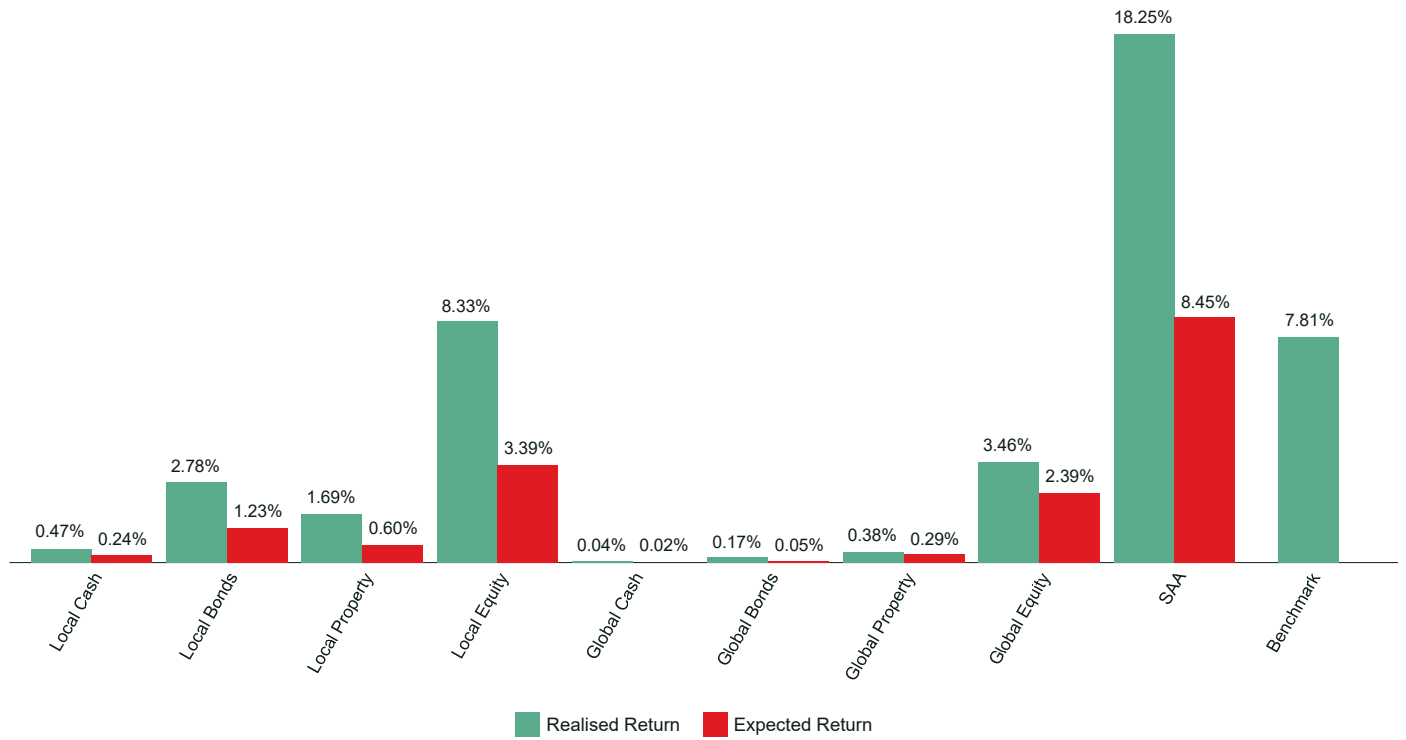
#### Total return attribution over 12 months



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

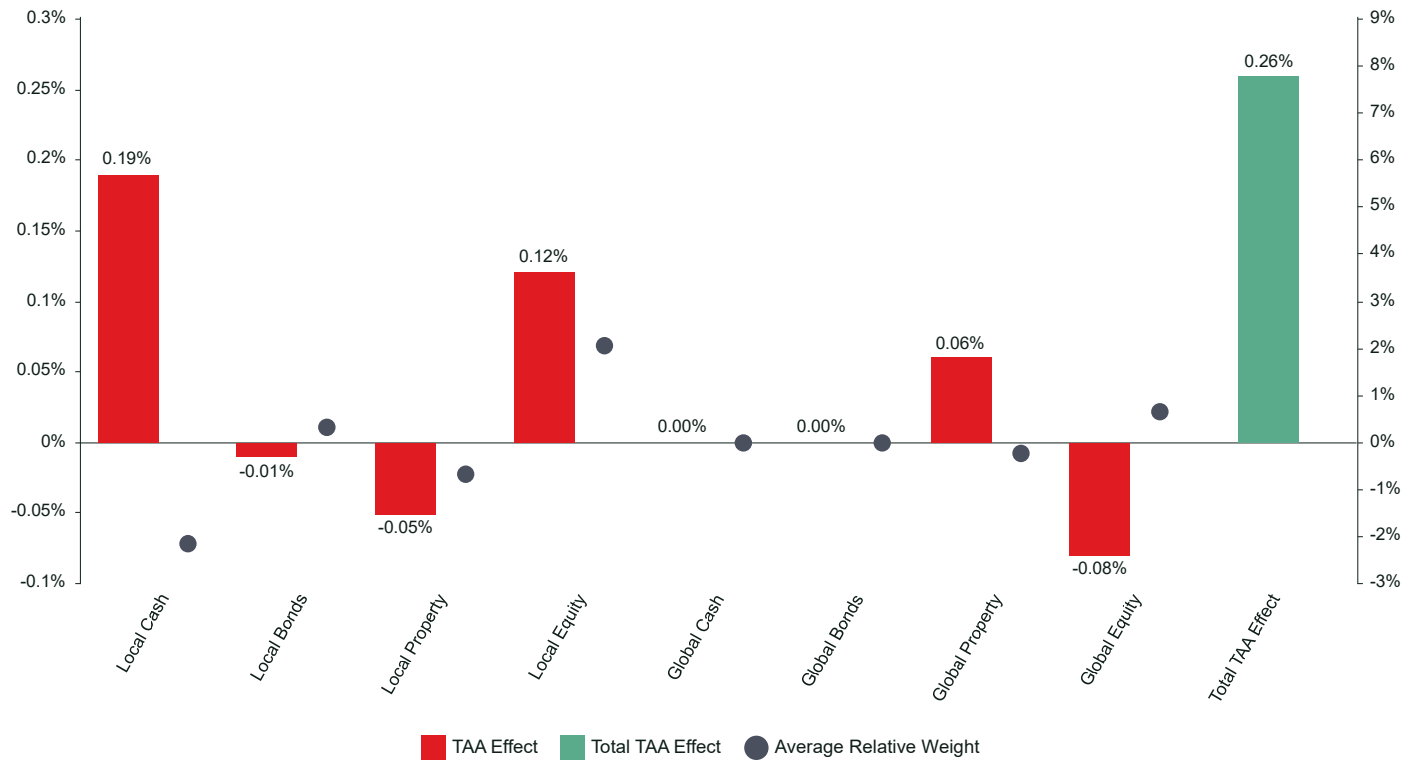


### Strategic asset allocation effects over 12 months



- All asset classes outperformed our long-term expectations.

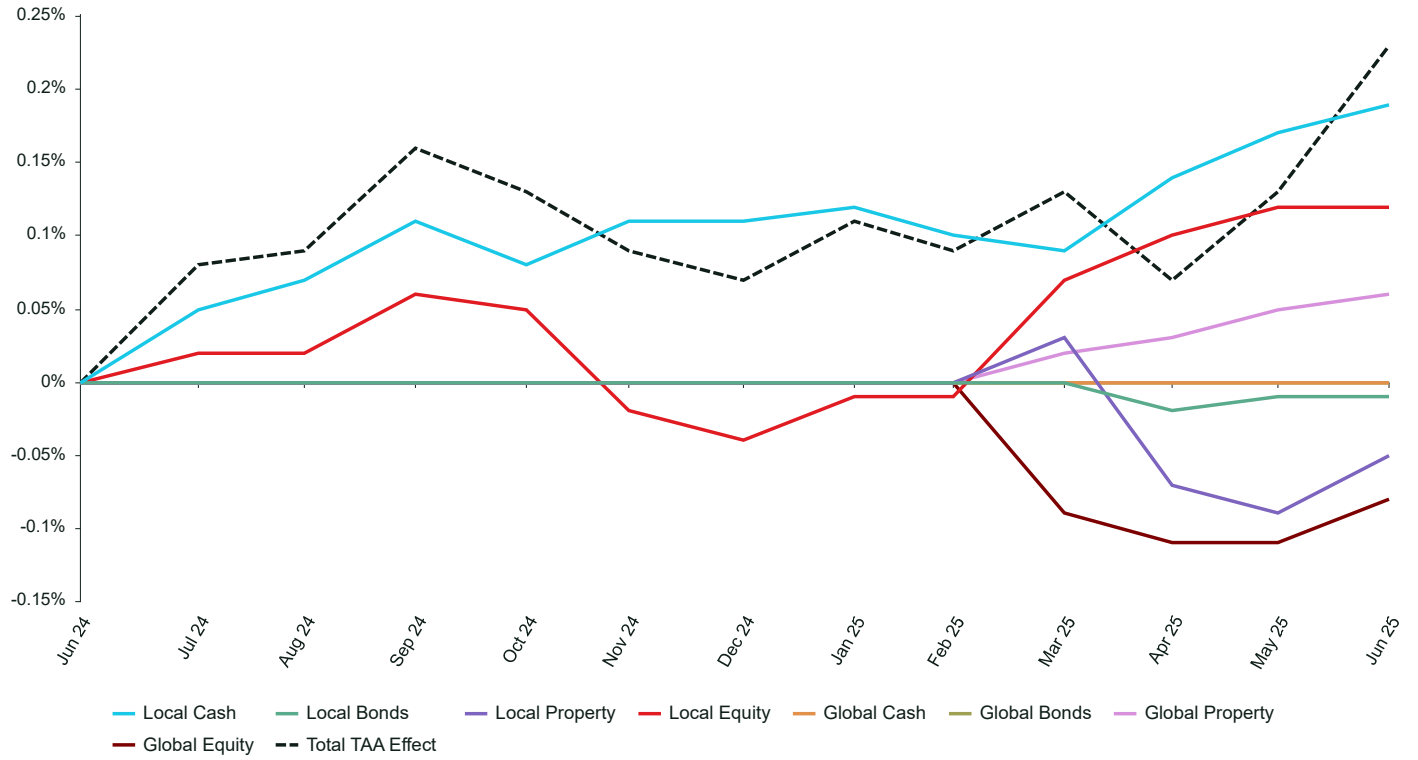
### Tactical asset allocation effects over 12 months



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

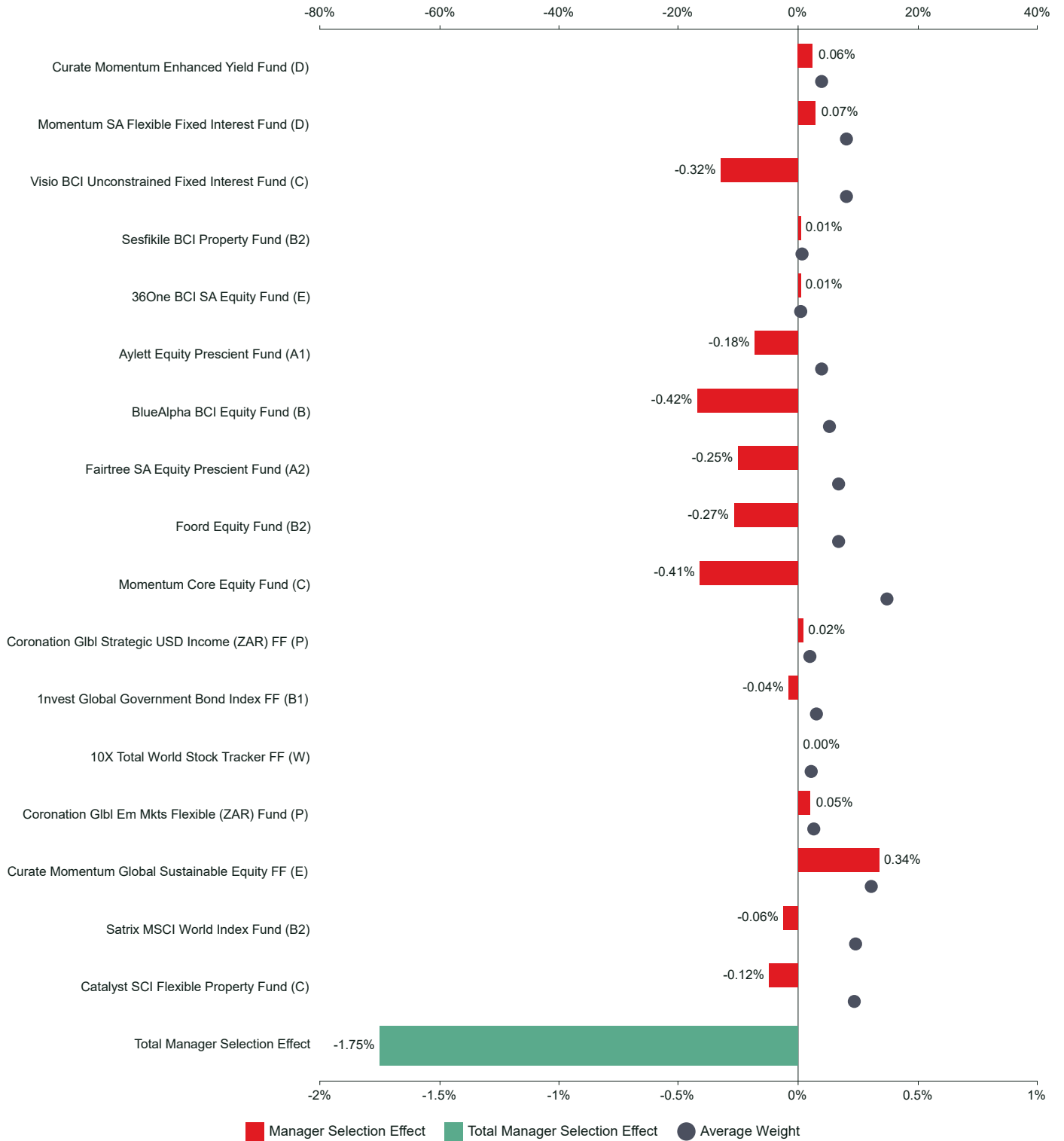


### Cumulative tactical asset allocation effects over 12 months



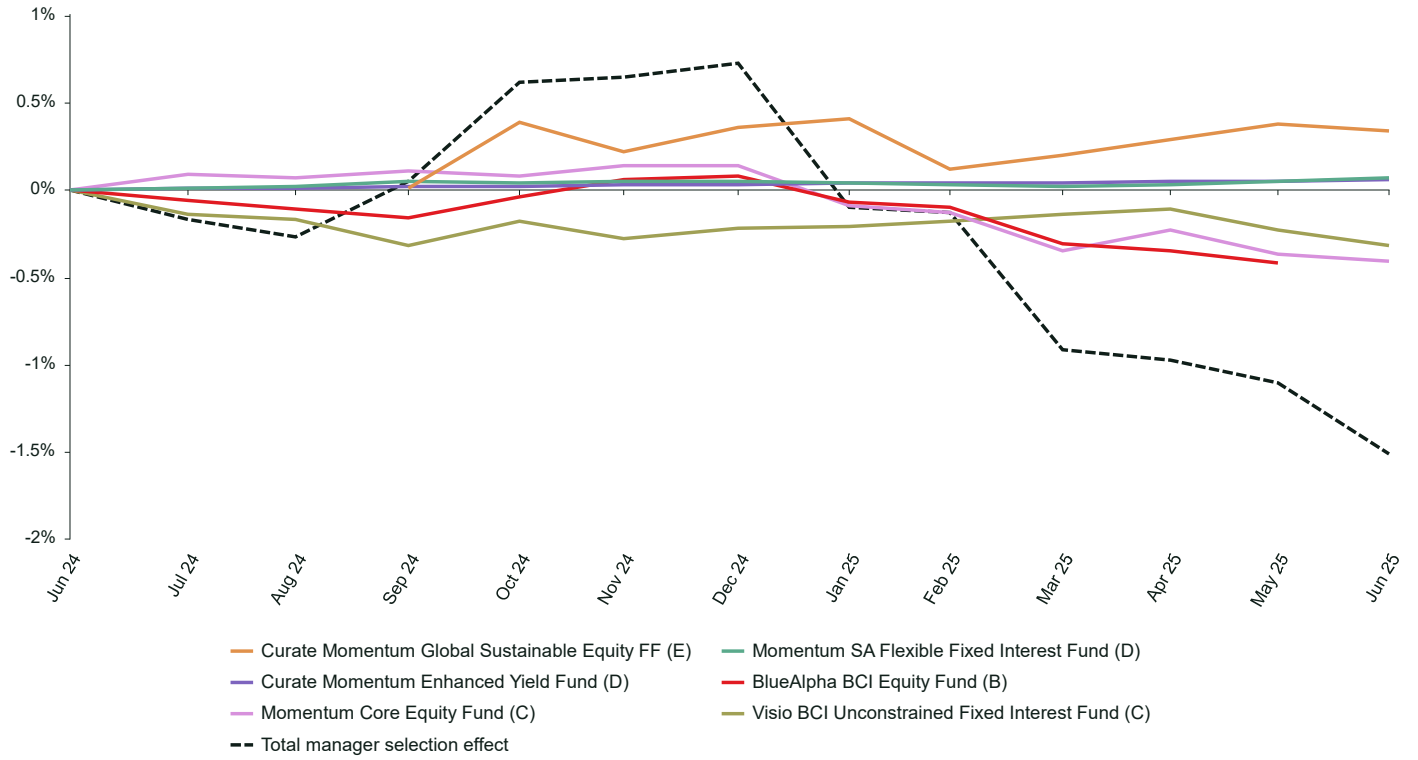


## Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





## 2.7 Equilibrium Growth Portfolio

**Data as at:** 30 June 2025  
**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

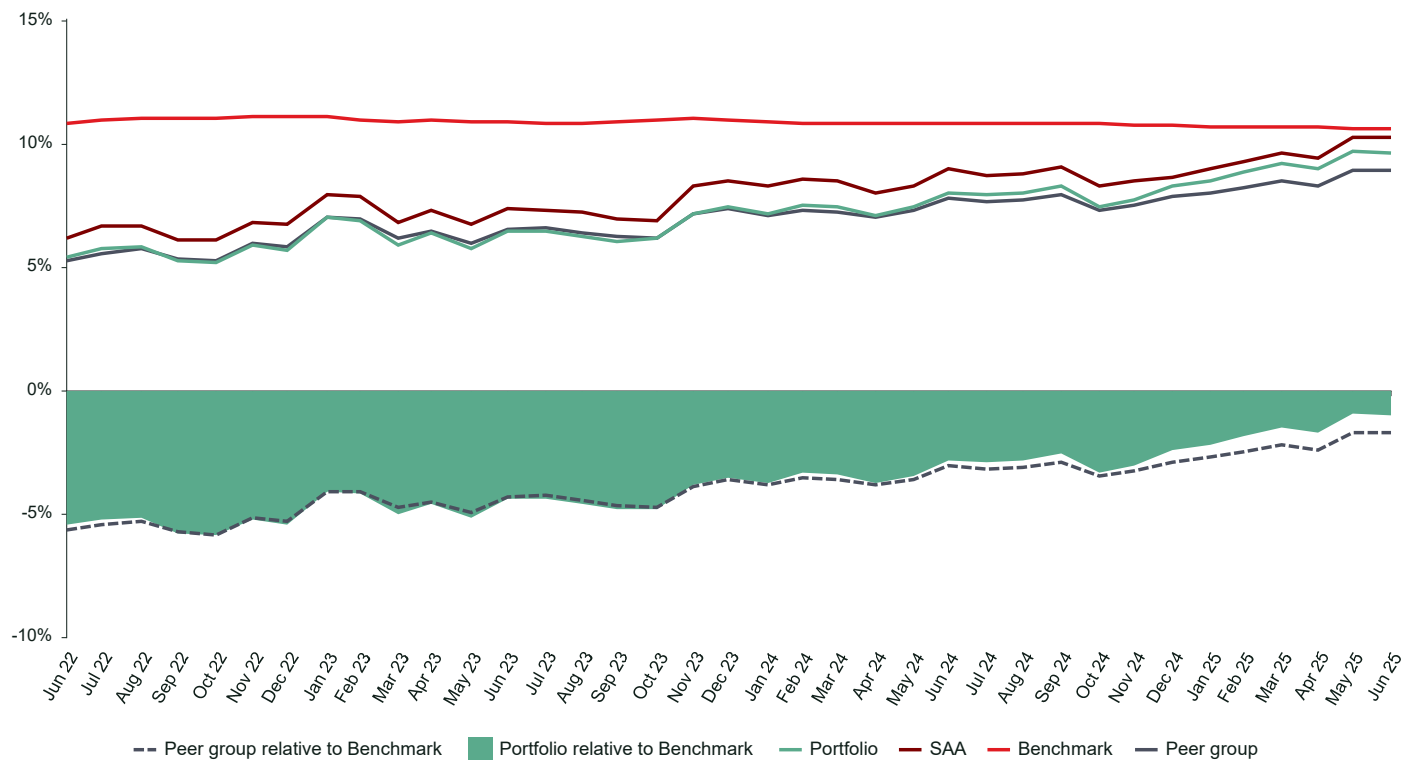
#### Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
<b>Portfolio</b>	<b>7.44%</b>	<b>6.13%</b>	<b>16.87%</b>	<b>15.24%</b>	<b>13.47%</b>	<b>9.66%</b>	<b>8.28%</b>	<b>9.10%</b>	<b>96</b>
Benchmark	2.32%	5.08%	8.81%	10.77%	11.21%	10.64%	10.85%	10.61%	
SAA	7.72%	8.62%	18.69%	16.64%	14.74%	10.31%	9.24%	10.18%	
Peer group	6.35%	7.08%	15.15%	13.35%	11.93%	8.95%	7.64%	8.73%	

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 0.98% p.a. over the 7-year period. It outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.82% 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	<b>-5.86%</b>	<b>-5.82%</b>

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



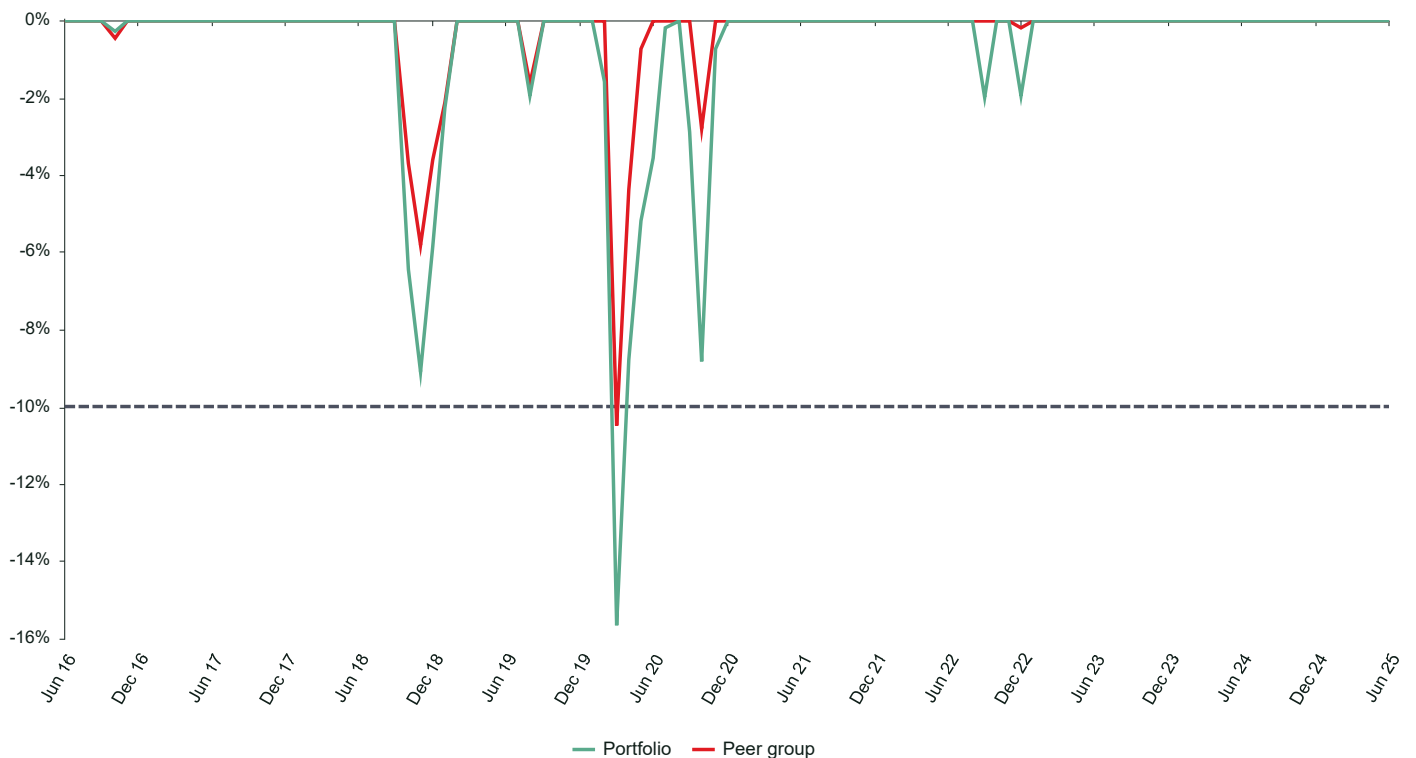
### Portfolio relative to benchmark



- 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 ending closer to its benchmark.

### 2.7.2 Risk

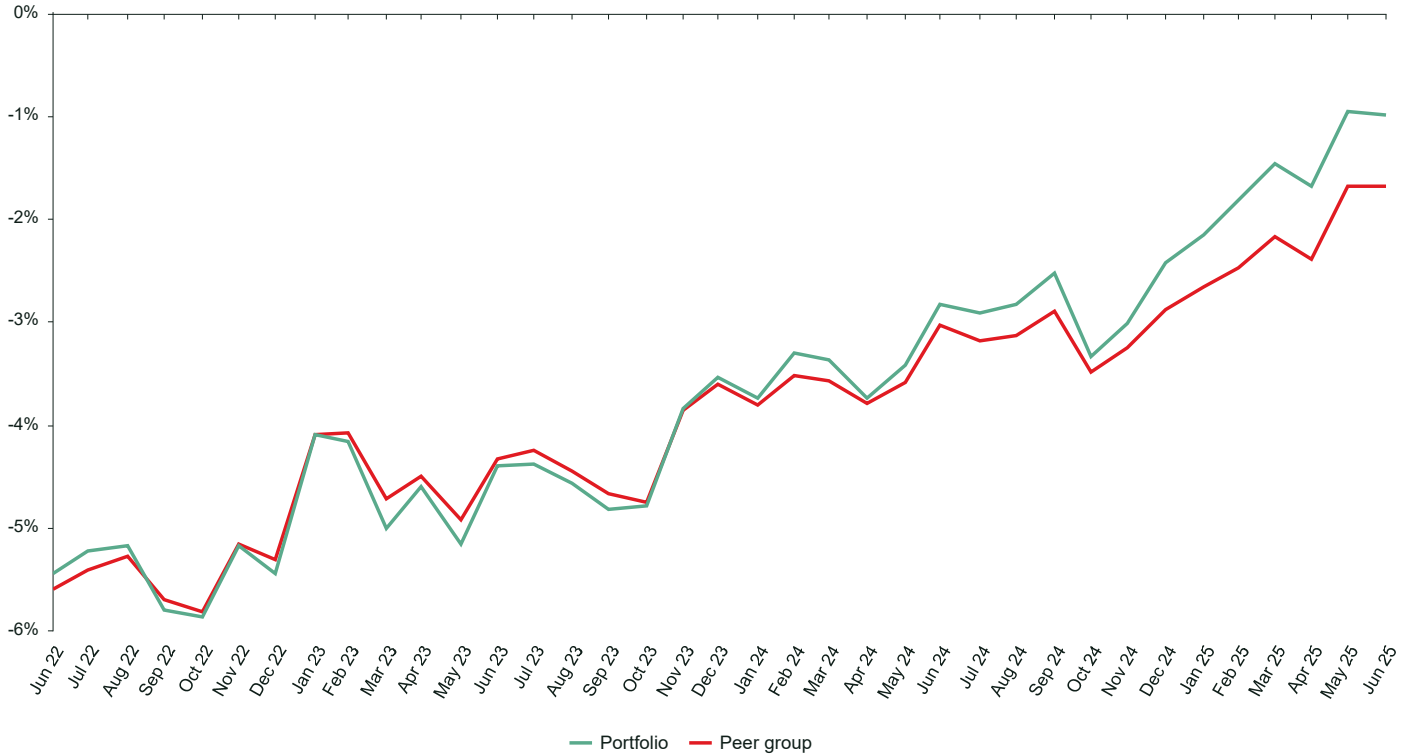
#### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



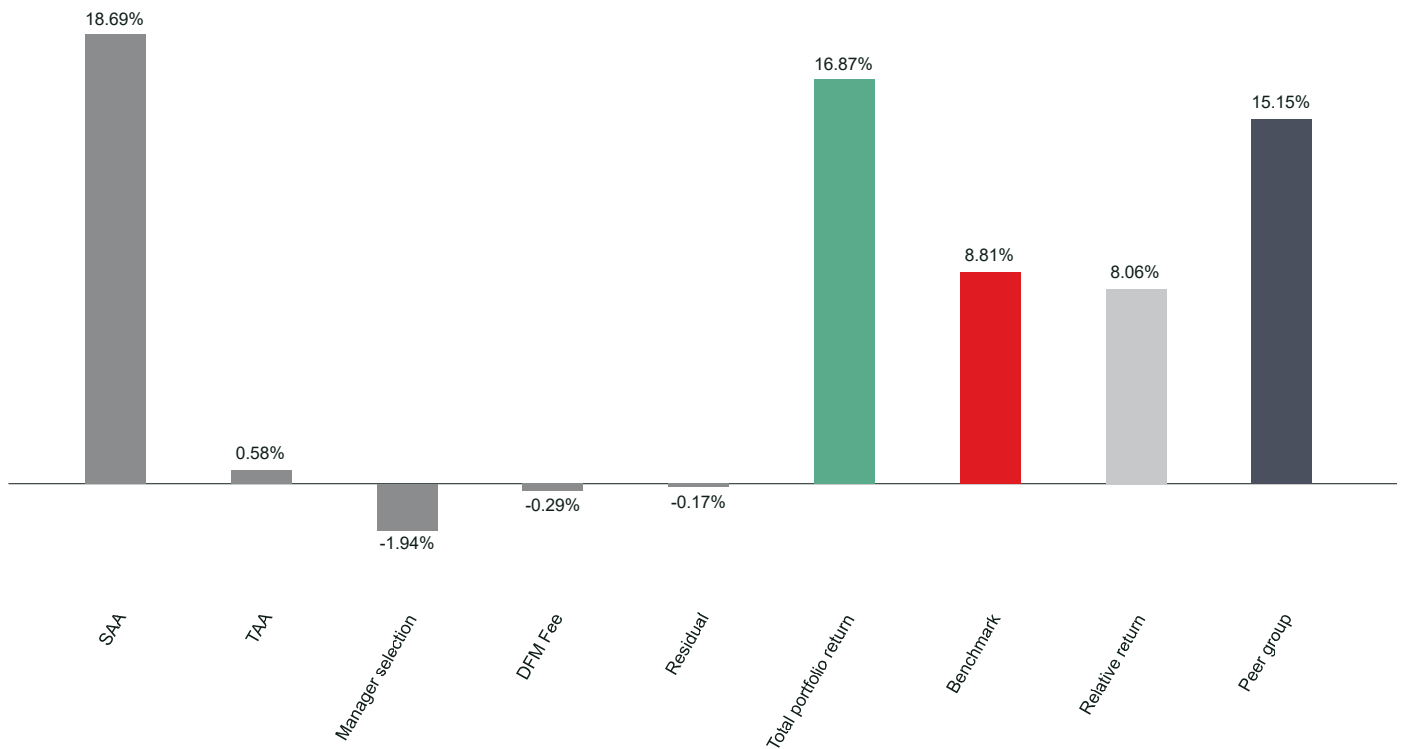
### Rolling investment horizon absolute drawdown over 10 years



- The portfolio is currently showing a stronger drawdown recovery profile relative to peers.

### 2.7.3 Performance attribution

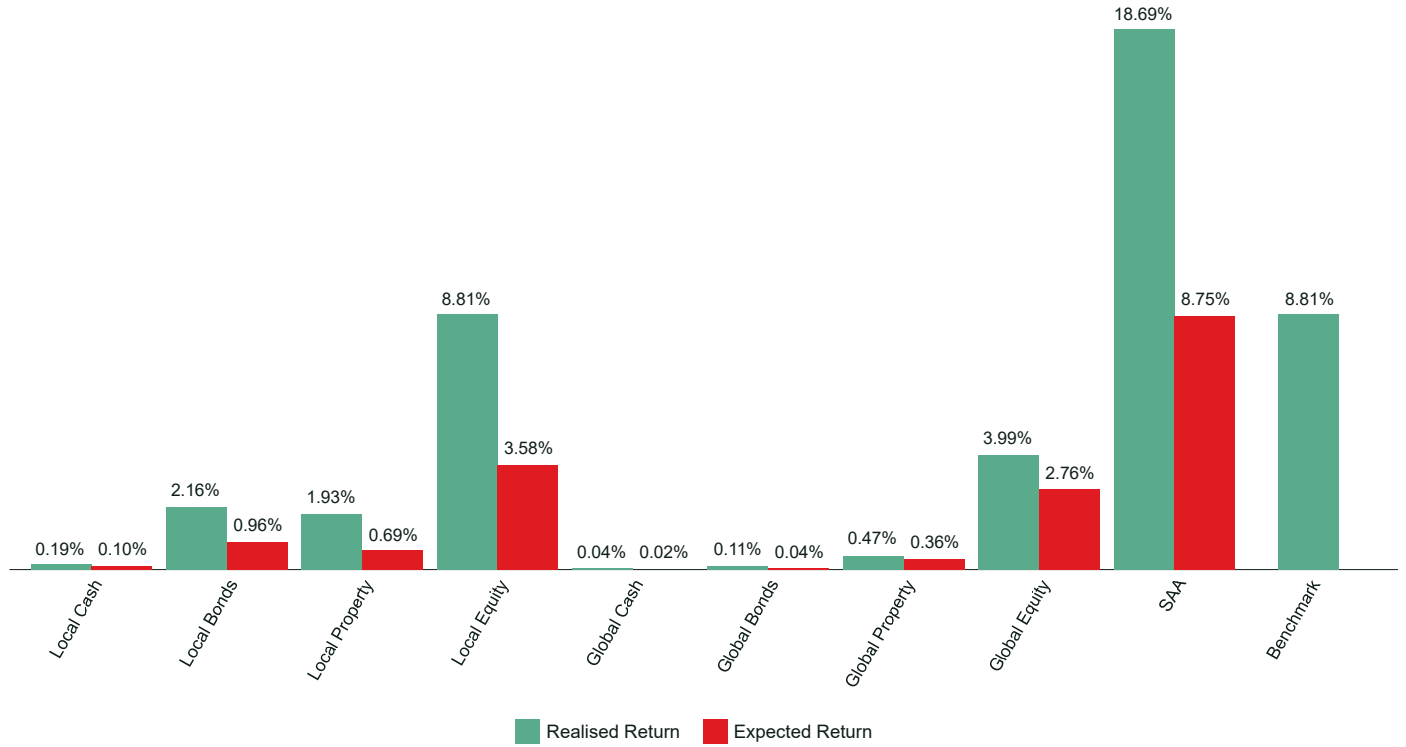
#### Total return attribution over 12 months



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

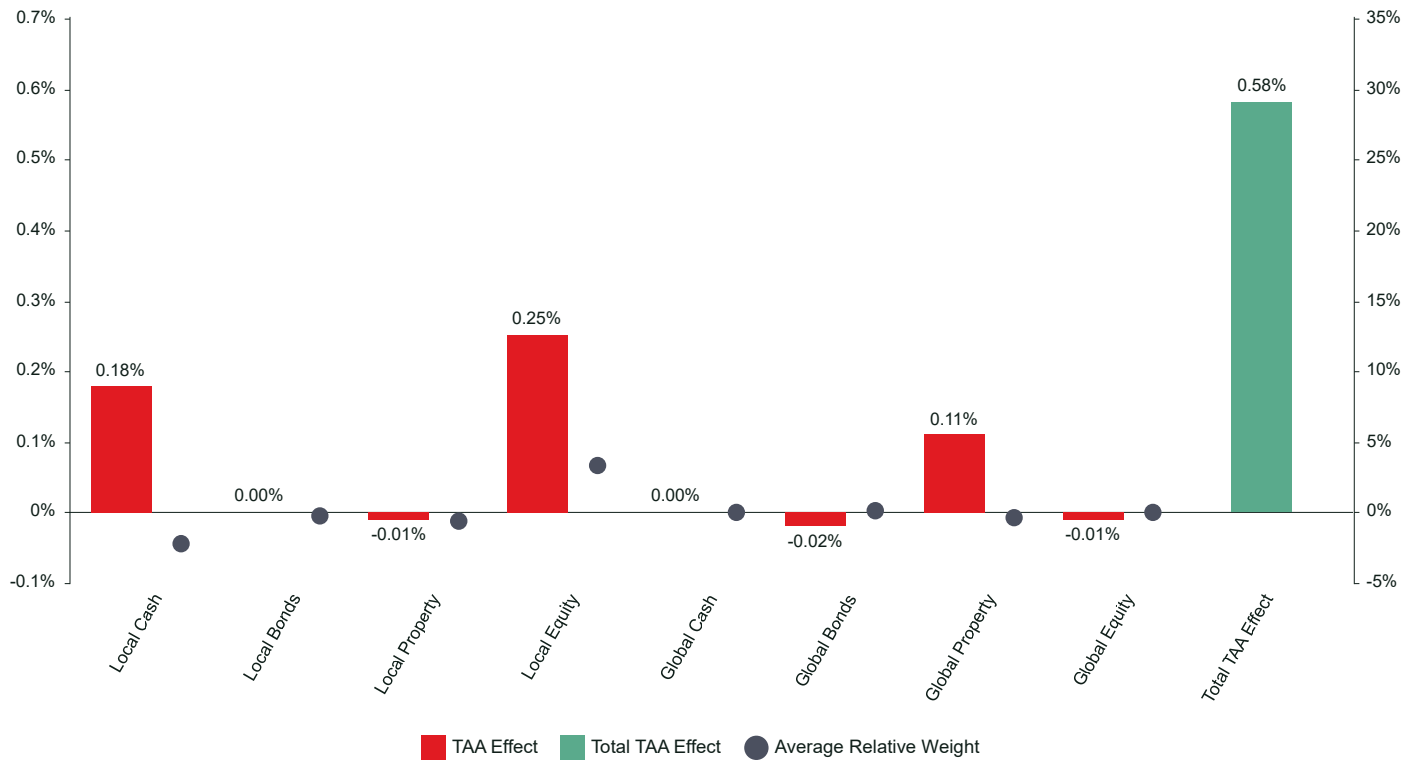


### Strategic asset allocation effects over 12 months



- All asset classes outperformed our long-term expectations.

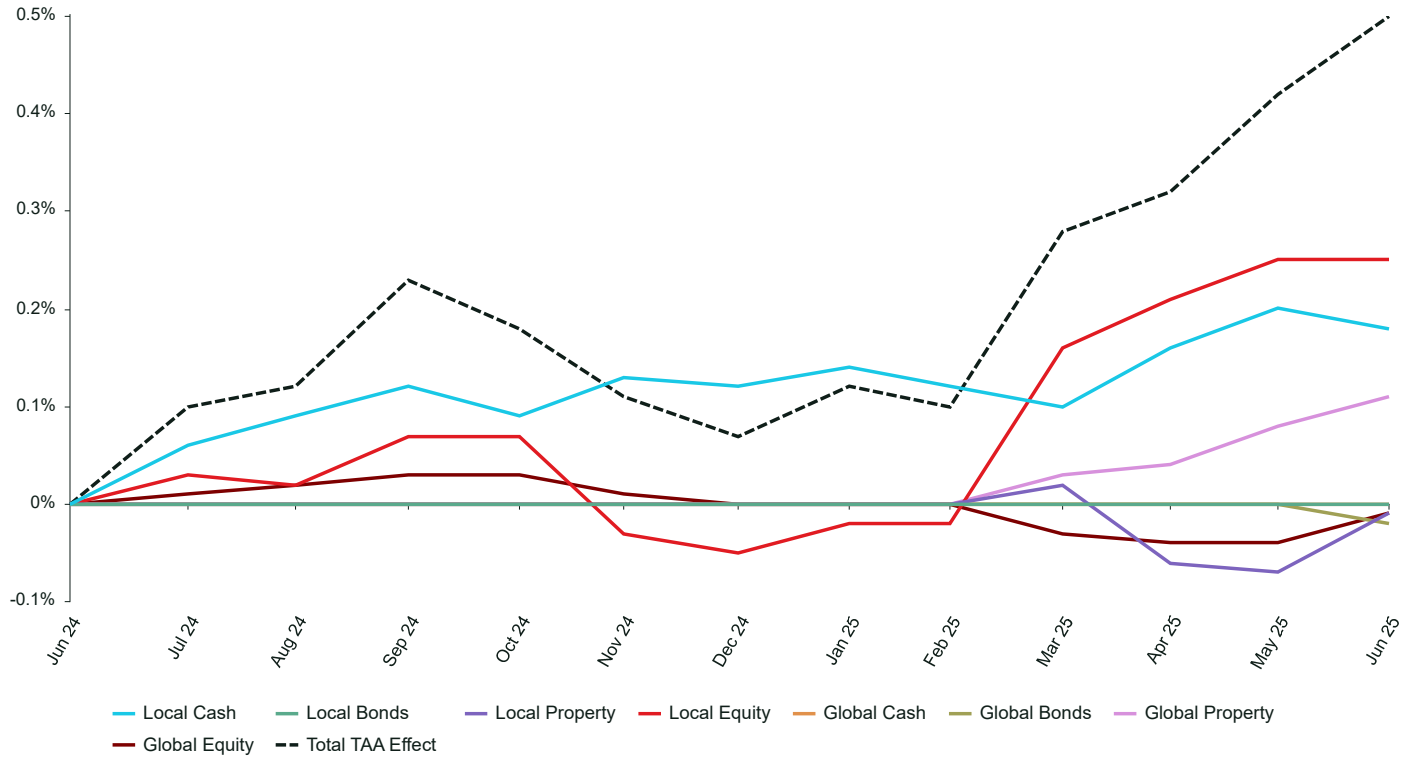
### Tactical asset allocation effects over 12 months



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



### Cumulative tactical asset allocation effects over 12 months



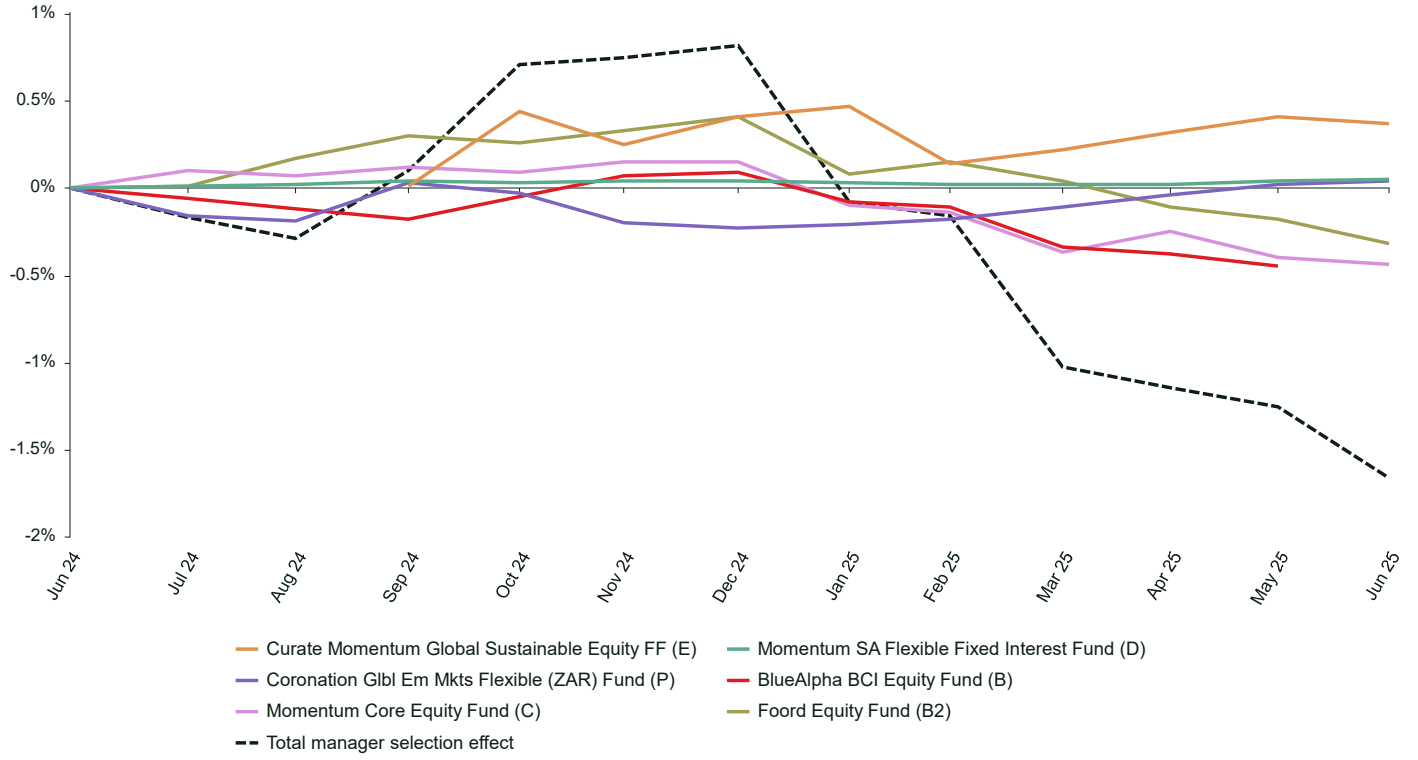


### Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





## 2.8 Equilibrium Unconstrained Portfolio

**Data as at:** 30 June 2025  
**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

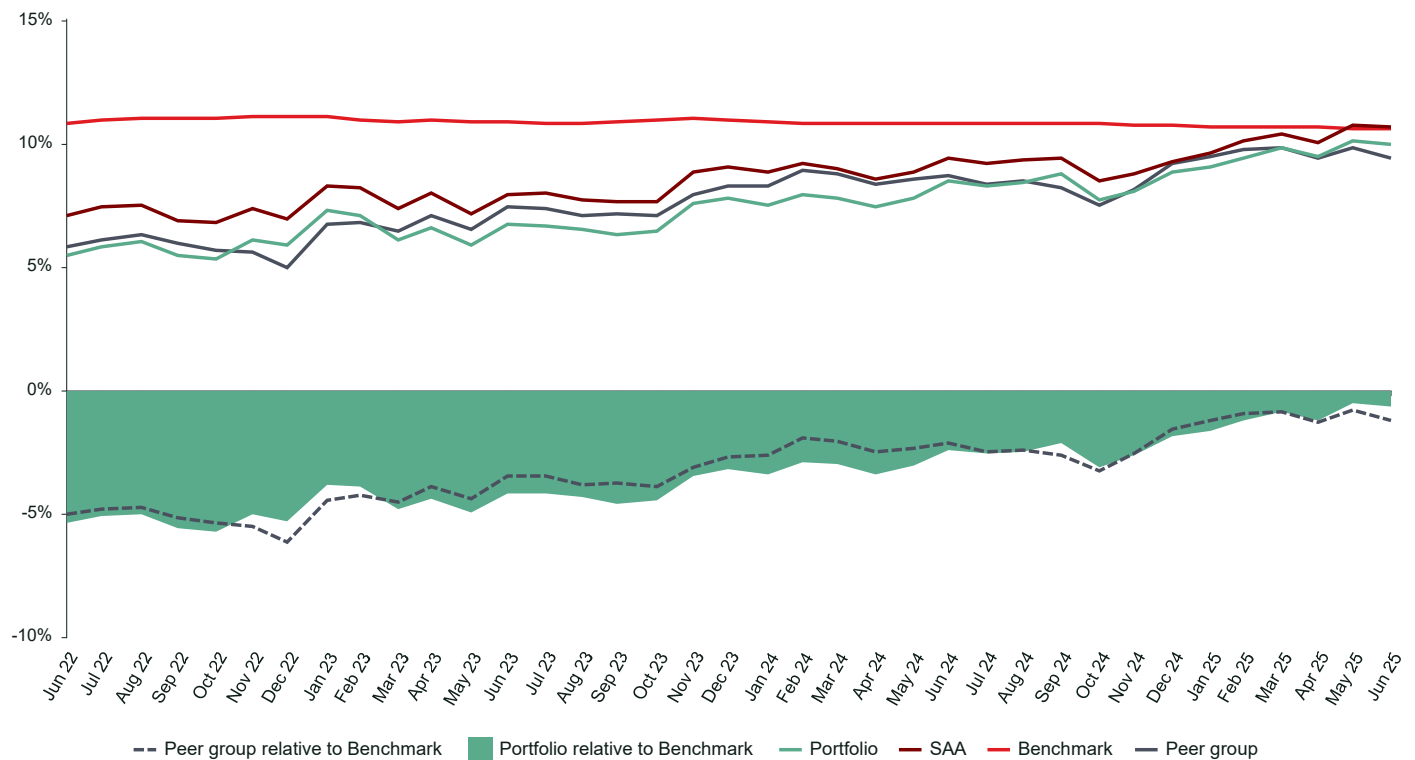
#### Trailing returns

	3m	6m	1y	3y	5y	7y	10y	SL	Mths SL
<b>Portfolio</b>	<b>7.66%</b>	<b>6.31%</b>	<b>17.08%</b>	<b>15.67%</b>	<b>13.39%</b>	<b>10.00%</b>	<b>8.45%</b>	<b>9.53%</b>	<b>96</b>
Benchmark	2.32%	5.08%	8.81%	10.77%	11.21%	10.64%	10.85%	10.61%	
SAA	7.72%	8.62%	18.69%	16.72%	14.61%	10.67%	9.91%	10.58%	
Peer group	6.31%	5.29%	13.34%	14.77%	10.34%	9.42%	8.47%	9.32%	

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 0.64% p.a. over the 7-year period. It outperformed its peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.61% 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	<b>0</b>	0
Realised probability of outperformance	<b>0%</b>	0%
Maximum outperformance	-	-
Maximum underperformance	<b>-5.73%</b>	-6.12%

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



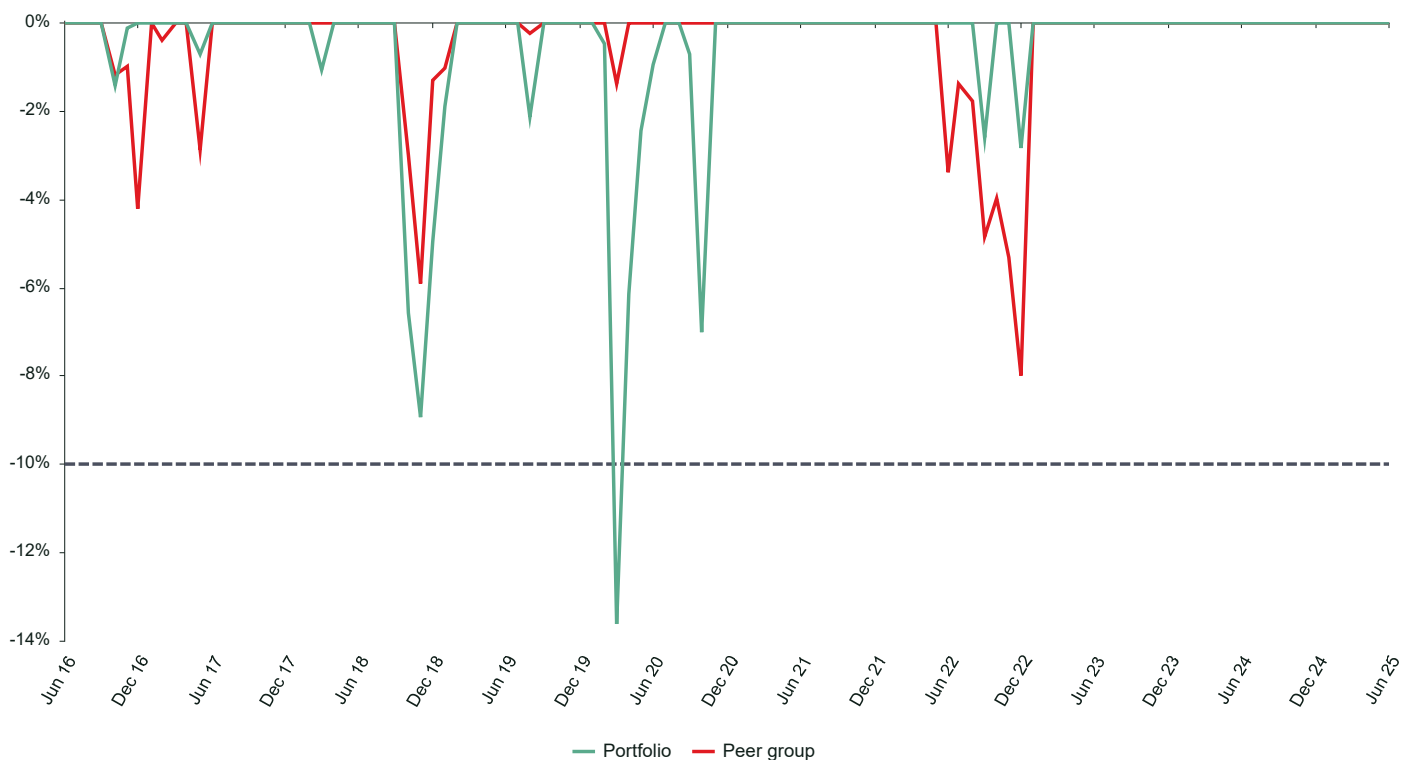
### Portfolio relative to benchmark



- 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 ending closer to its benchmark.

## 2.8.2 Risk

### Rolling 1-year absolute drawdown over 10 years



- The portfolio is not currently in a drawdown.



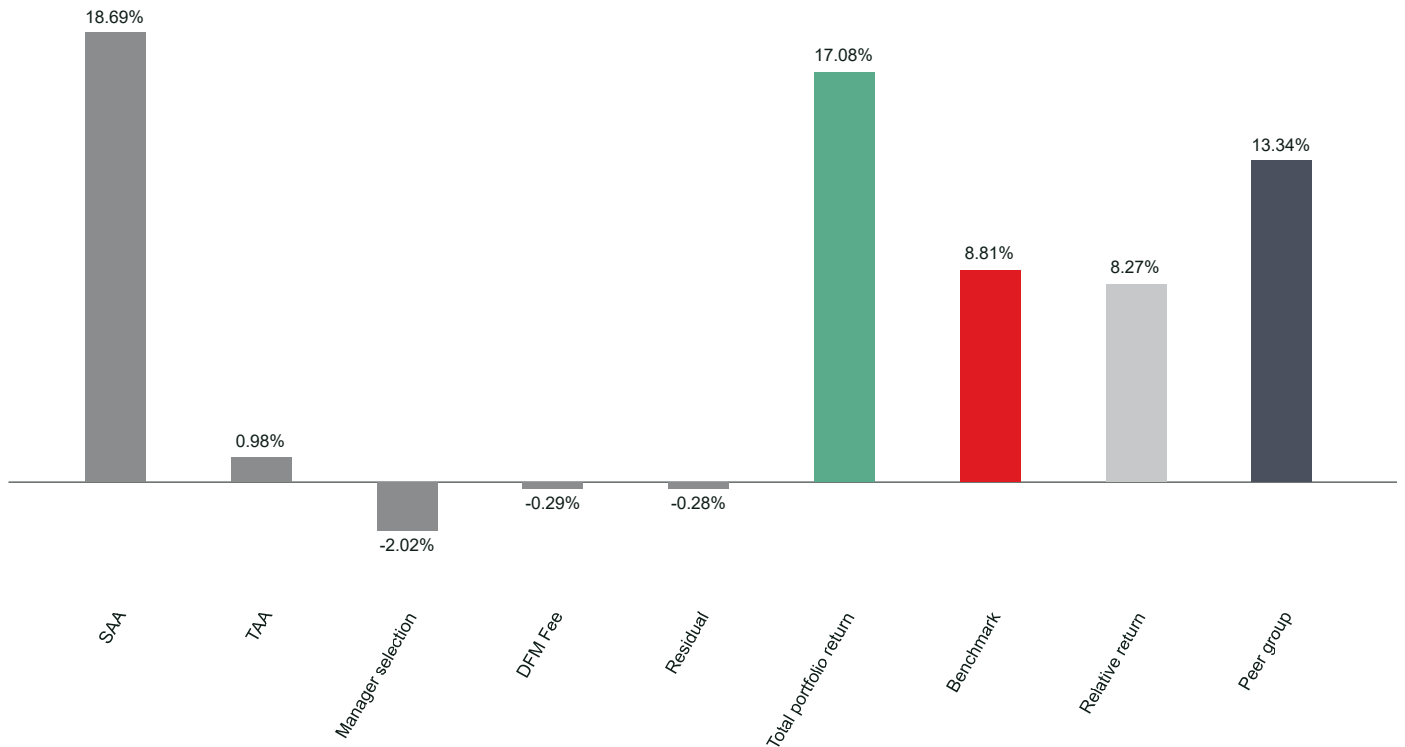
### Rolling investment horizon absolute drawdown over 10 years



- The current peer group encompasses a diverse set of mandates, and the chart illustrates the portfolio's drawdown profile in comparison to peers. The portfolio's positioning has contributed to a more favourable recovery relative to its peer group over the period.

### 2.8.3 Performance attribution

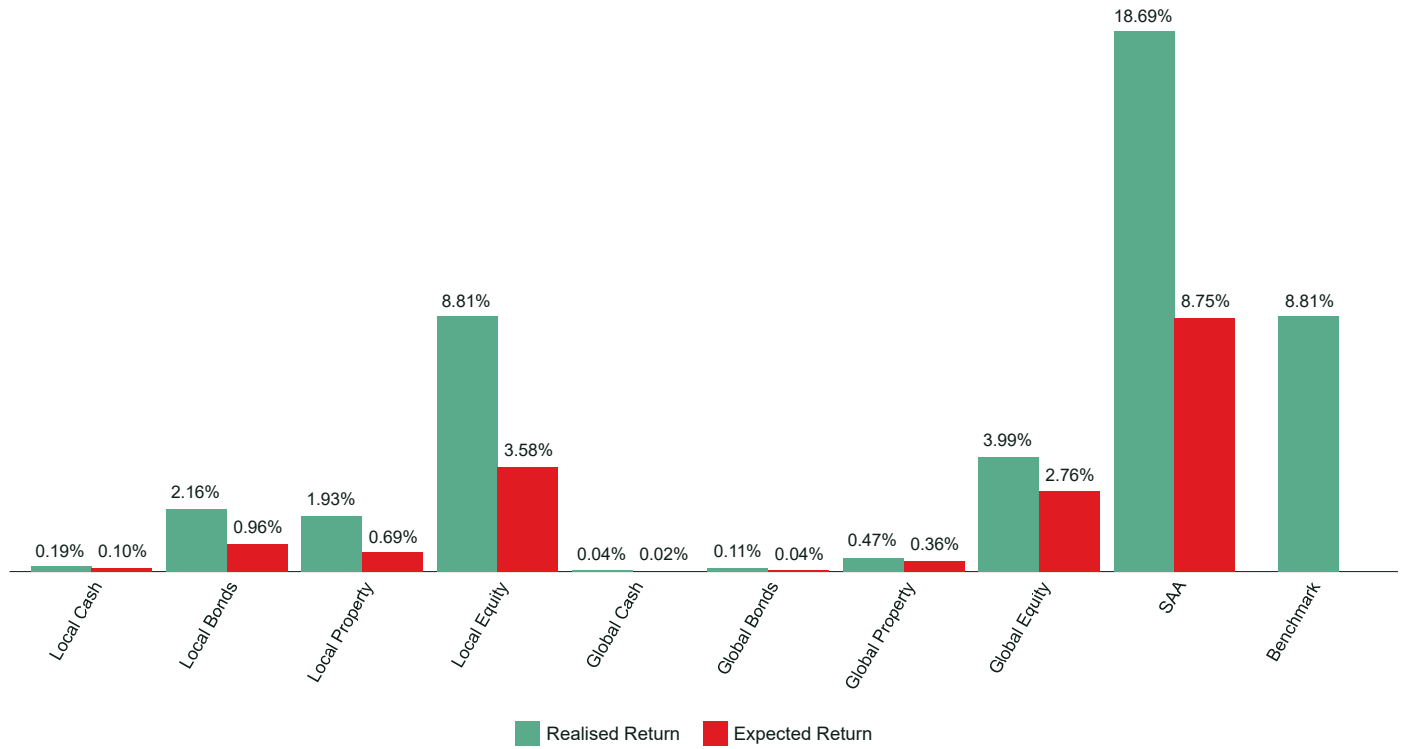
#### Total return attribution over 12 months



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

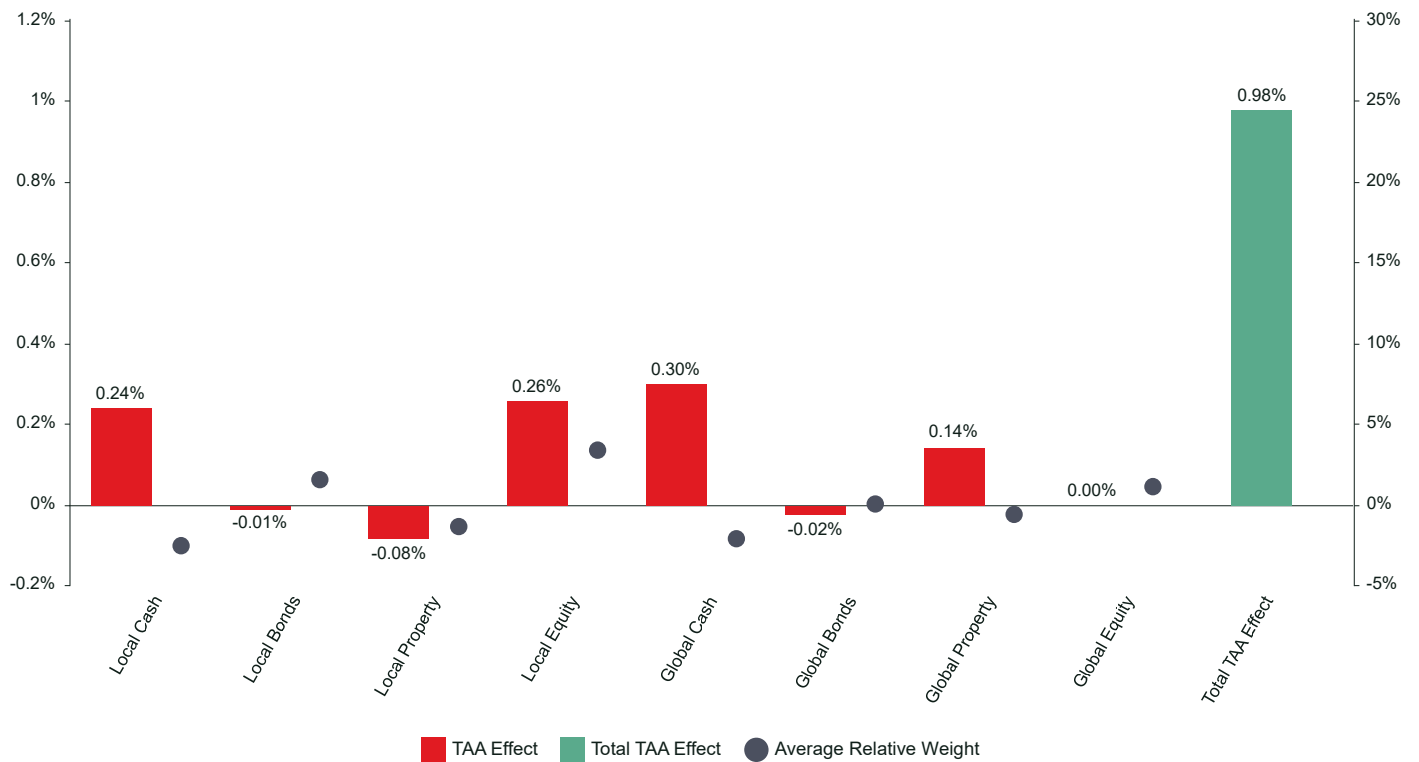


### Strategic asset allocation effects over 12 months



- All asset classes outperformed our long-term expectations.

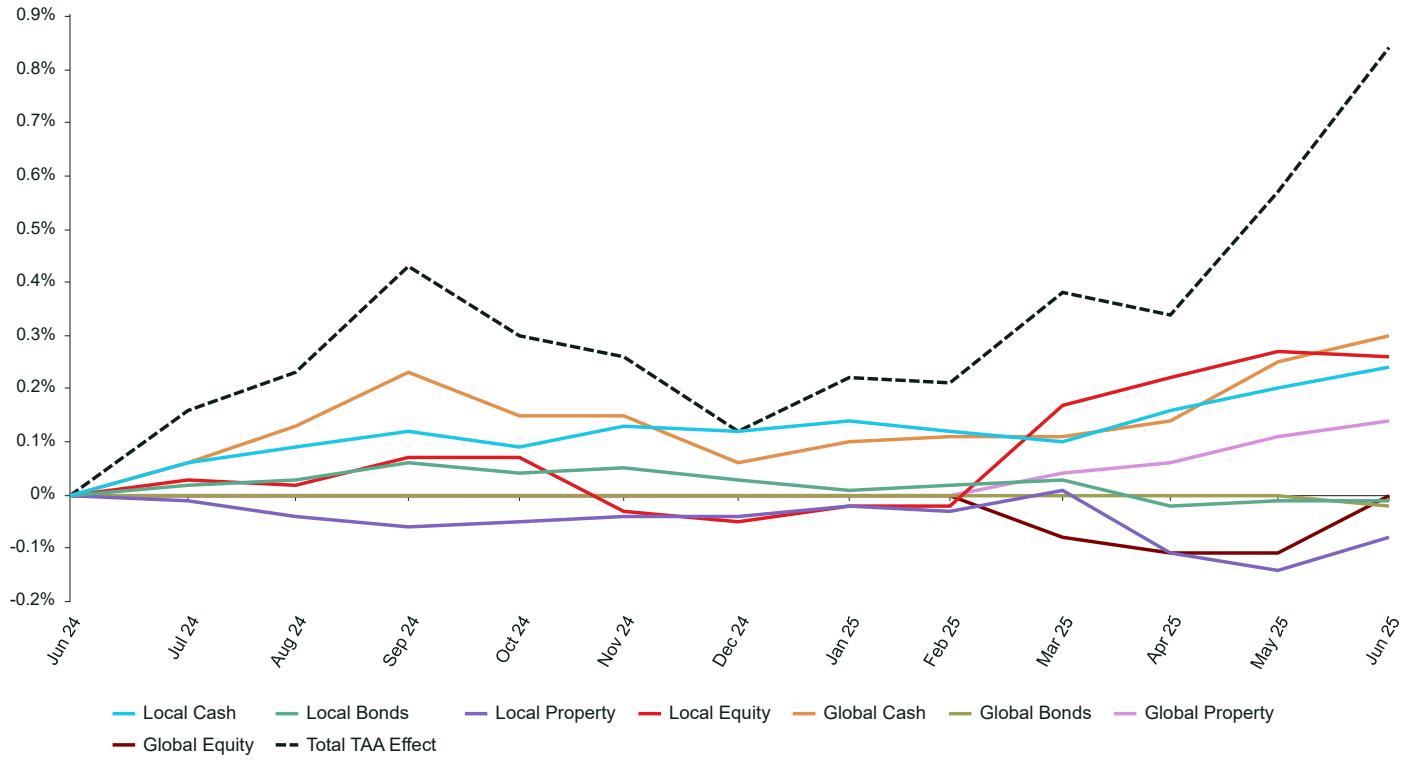
### Tactical asset allocation effects over 12 months



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



### Cumulative tactical asset allocation effects over 12 months



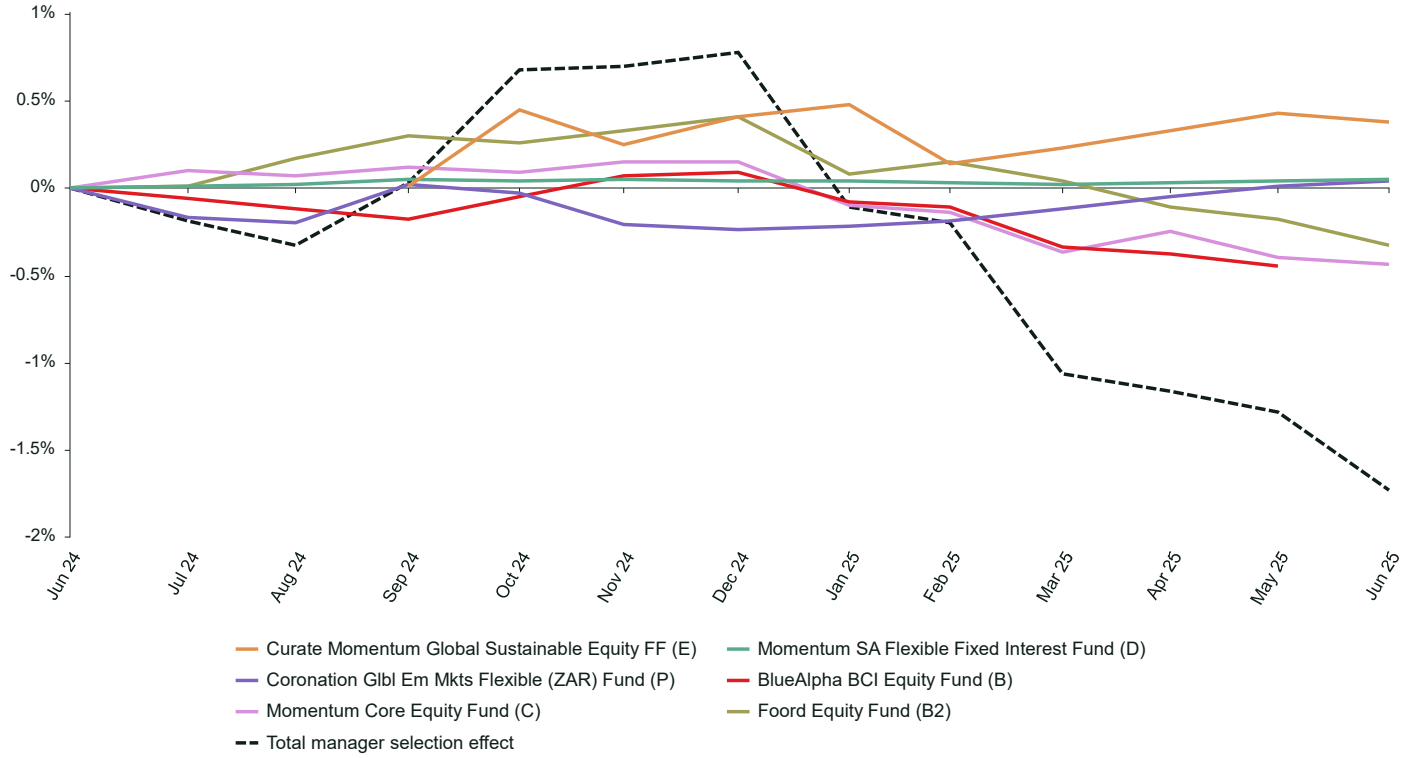


### Manager selection effects over 12 months





### Cumulative manager selection effects over 12 months





### 3. Risk and return expectations

#### 3.1 Value-at-Risk and realistic expected real returns

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

#### 3.2 Forward looking probabilities of achieving stated benchmarks

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

### 4. Current positioning & changes/recommendations

#### 4.1 Asset class house views

Asset Class	Q1 2025	Q2 2025
<b>Local</b>		
Local Cash	Neutral	Neutral
Local Bonds	Neutral	Neutral
Local Property	Neutral	Neutral
Local Equity	Neutral	Neutral
<b>Global</b>		
Global Cash	Neutral	Neutral
Global Bonds	Neutral	Neutral
Global Property	Neutral	Neutral
Global Equity	Neutral	Neutral



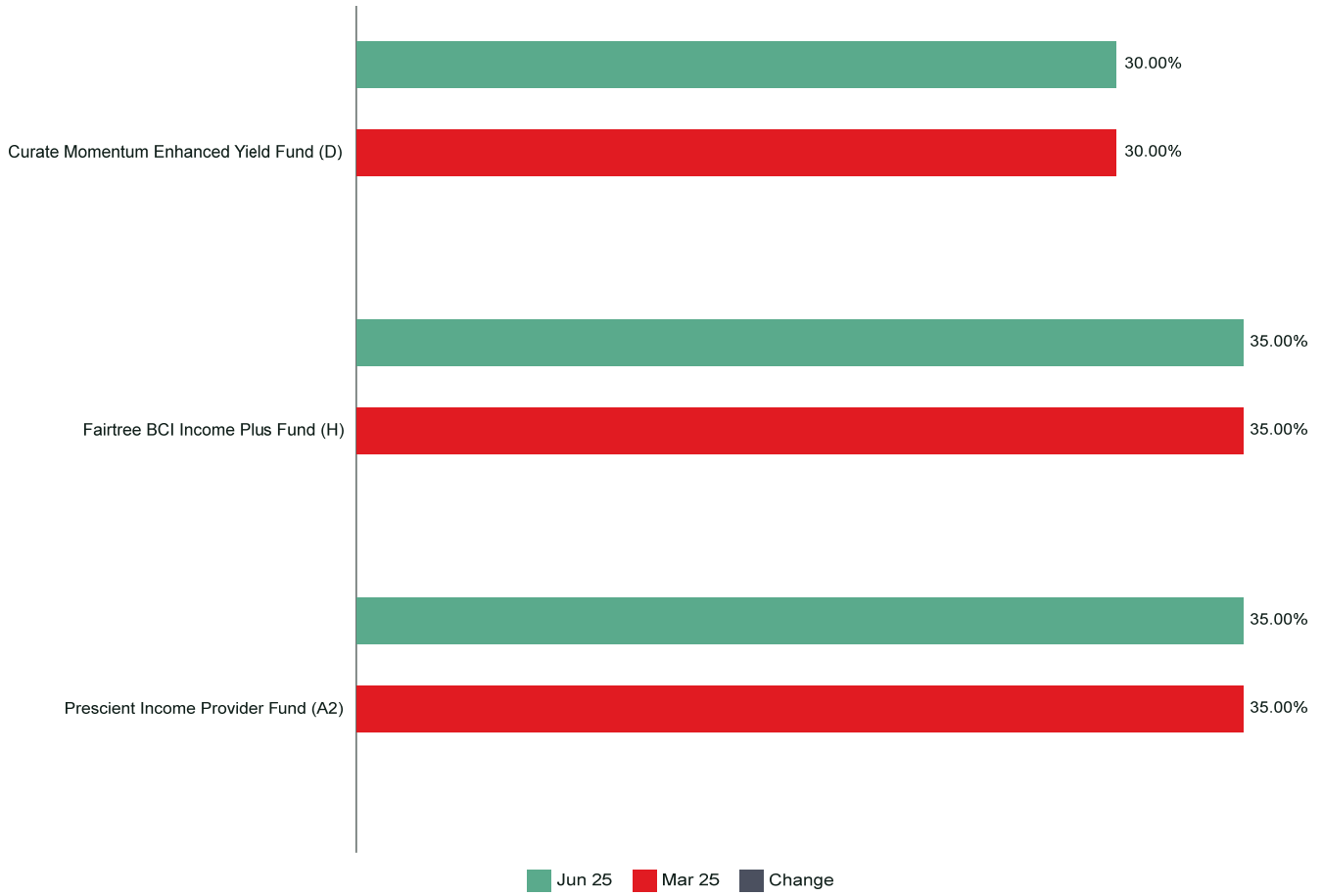
## 4.2 House view summary

What we expect will happen in the year ahead...					
Growth	Inflation	Currency	Interest rates	Cash	Government bonds
<p>Initial optimism surrounding the Government of National Unity has faded as coalition tensions over health, education, land and fiscal reforms sparked renewed political uncertainty, dampening local fixed investment intentions. Compounding this, nine of SA's top ten export partners face reduced growth forecasts for 2025, compared to six months ago, limiting the extent to which exports can support growth. Despite these challenges, households are showing some resilience, bolstered by modest real wage gains and rising net wealth.</p>	<p>Inflation is currently underpinned by favourable conditions. Bumper harvests, low international oil prices despite Middle East tensions, a stable exchange rate and subdued rental inflation (which accounts for more than 15% of the basket) are keeping prices in check. With a low inflation base, even potential risks – such as a weaker exchange rate in a potentially risk-off environment, administered prices, higher oil prices amid geopolitical tensions, or a more restrictive global trade environment – are likely to have limited impact.</p>	<p>The rand has shown resilience despite local political and fiscal risks, as well as global trade and geopolitical uncertainties. Uncertainty around inflation and concerns over fiscal health in the US, associated with the potential economic consequences tied to the new administration's policies, have driven the dollar weaker, bolstering emerging market assets, including the rand. This trend is expected to continue in the year ahead. Moreover, favourable commodity price movements have lifted SA's terms of trade, which has acted as an additional support for the rand.</p>	<p>A stable domestic inflation outlook and anchored inflation expectations provide room to reduce interest rates from their current restrictive levels. However, significant rate cuts or aggressive easing beyond a neutral stance are unlikely, given the SARB's recommendation to adopt a lower inflation target. Additionally, potential inflationary pressures – such as higher administered prices, elevated oil prices due to geopolitical tensions, a weakening local currency and increased trade barriers – could threaten inflation expectations, especially if the target is reduced.</p>	<p>Based on our expectation that inflation will likely average below 4% in the coming year, SA cash still offers an above-average prospective real yield to investors. However, with real cash yields declining from their highs due to SARB rate cuts since September 2024, cash returns now look less attractive to us than those available from other asset classes, including SA equities and nominal bonds.</p>	<p>SA vanilla government bonds continue to provide some of the highest backward-looking real yields in the world, only exceeded regularly by Brail within the EM peer group. Relative to SA's history since inflation targeting, the current more than 6% real forward-looking bond yield is comfortably more than one standard deviation above the historical average.</p>
ILBs	Listed property	Equities	Global equities	Global bonds	Global cash
<p>Positive SA inflation surprises in 2025 and indications from both the SA Treasury and SARB that the country's inflation target would be lowered, are fundamentally supporting local nominal bonds but undermining ILBs. This has already led to lower ILB auction demand in recent months. We expect inflation accruals to predominantly be below average in the next year, putting ongoing pressure on ILBs.</p>	<p>The operating and financial metrics in the SA listed property sector have been improving for some time, with operating costs coming down due to solar investments and the cost of debt peaking. In our view, there is limited earnings growth downside risk in the coming years, underpinned by positive lease escalations and stabilising finance costs. The downside potential for SA nominal bond yields should also support valuations in the sector going forward.</p>	<p>Any renewed interest from foreign investors in the EM equity asset class and by extension under-owned and cheap SA equities in a new Trump world, would provide significant flow support for SA equities. Despite a strong absolute performance in the last year, SA equities are still trading below their own long-term historical forward P/E average. Historically, both SA bonds and equities have generally responded favourably to falling interest rates, with equities outperforming bonds.</p>	<p>Markedly higher effective tariffs should have negative impacts on both US inflation and economic growth going forward, with corresponding adverse read-throughs for both US bonds and equities. The US fiscal outlook has also worsened on the back of US President Trump's stimulus package progressing through Congress and a weaker growth outlook. However, this fiscal slippage should be detrimental for US bonds rather than equities, with the latter benefiting from the stimulus measures.</p>	<p>DM sovereign bonds outside the US continue to offer meaningfully lower yields compared to their respective equity market earnings yields. We also believe US bonds may remain cheap versus equities if inflationary pressures or fiscal dynamics deteriorate beyond current market expectations.</p>	<p>We see global cash as a preferred global fixed-income asset class with similar expected returns to global bonds at lower risk and volatility, particularly with the general global trend of fiscal deterioration negatively impacting the longer ends of global yield curves.</p>



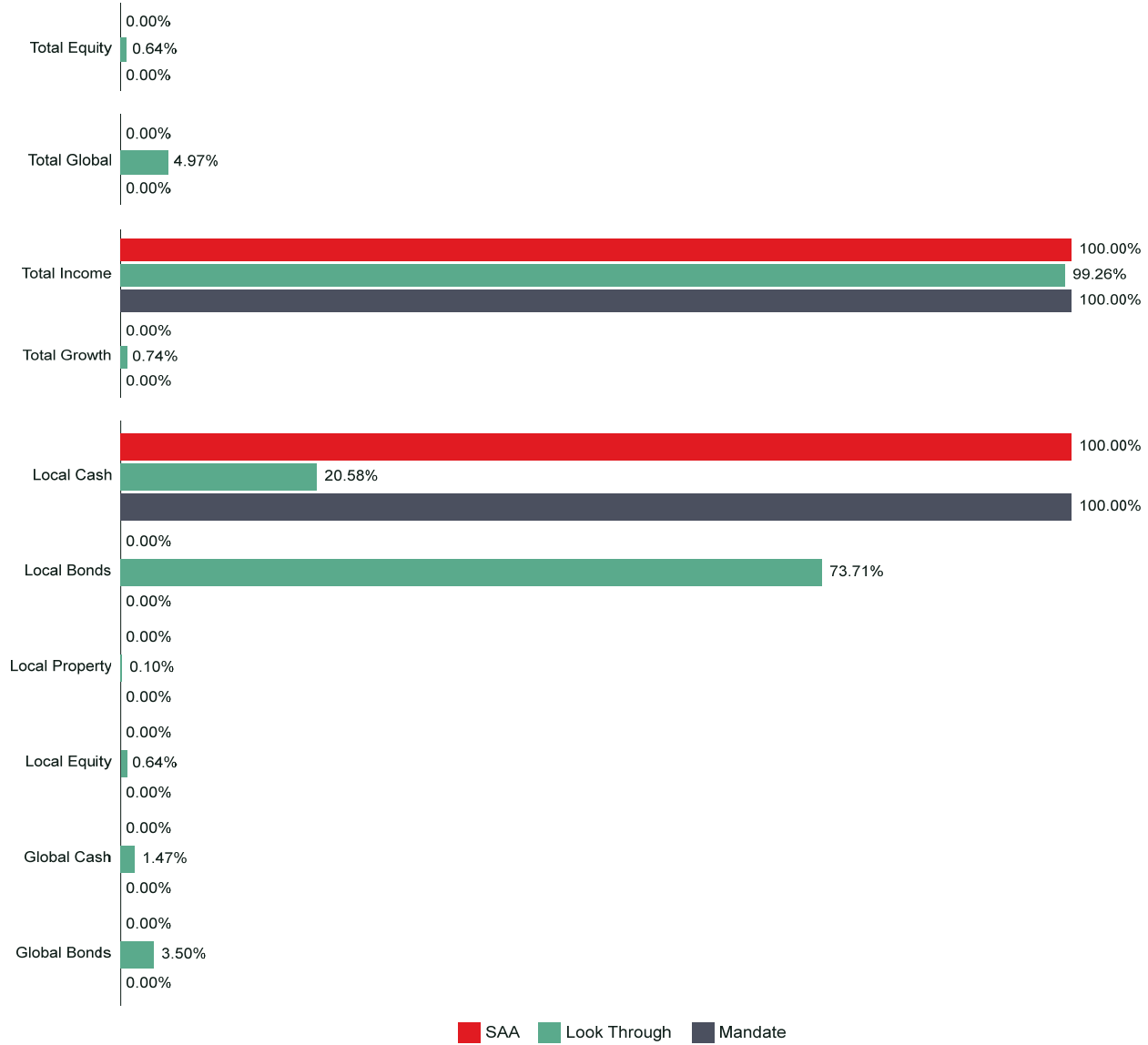
## 4.3 Equilibrium Income Portfolio

### 4.3.1 Building block allocation





### 4.3.2 Asset allocation



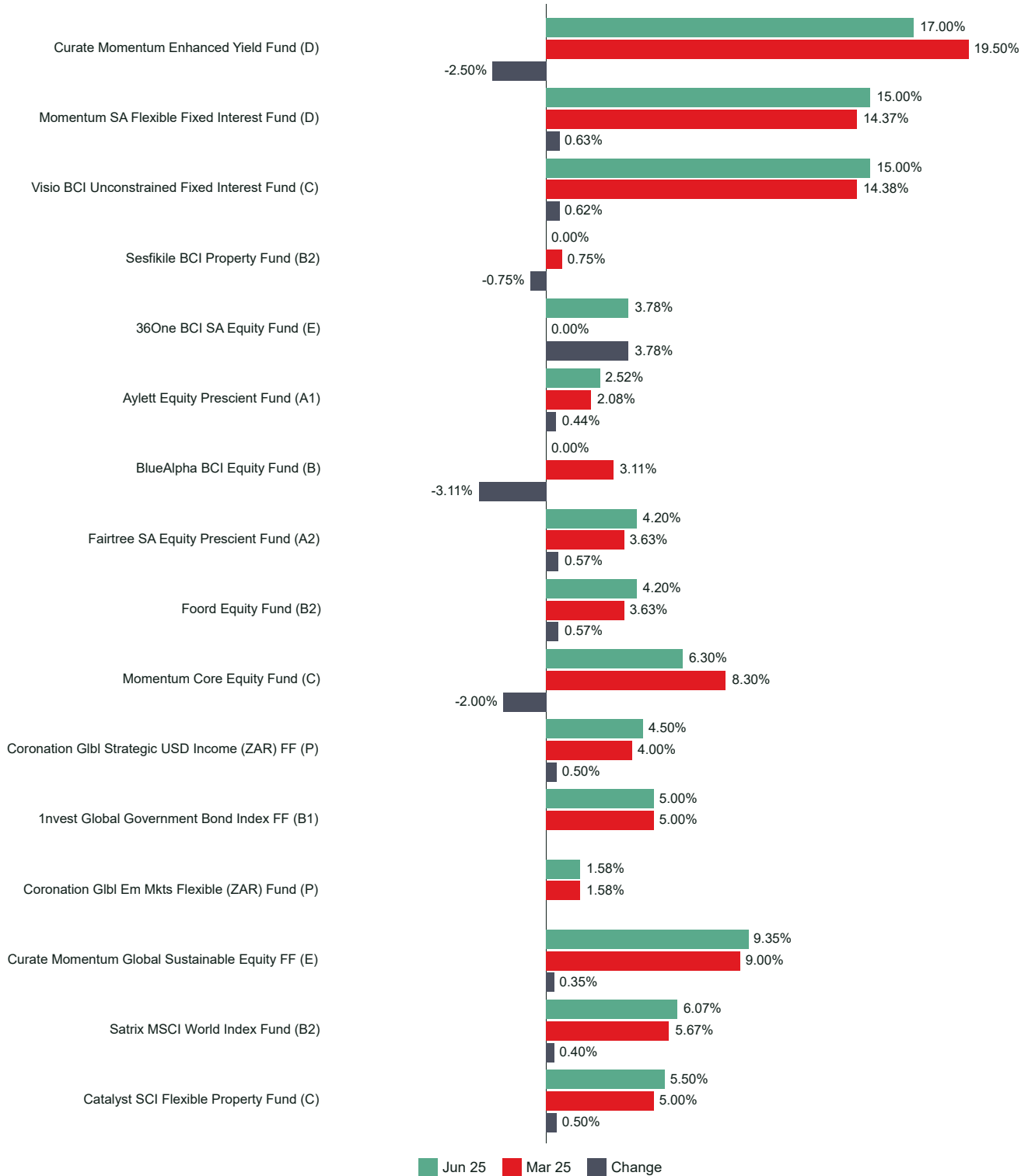
### 4.3.3 Portfolio changes/recommendations

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



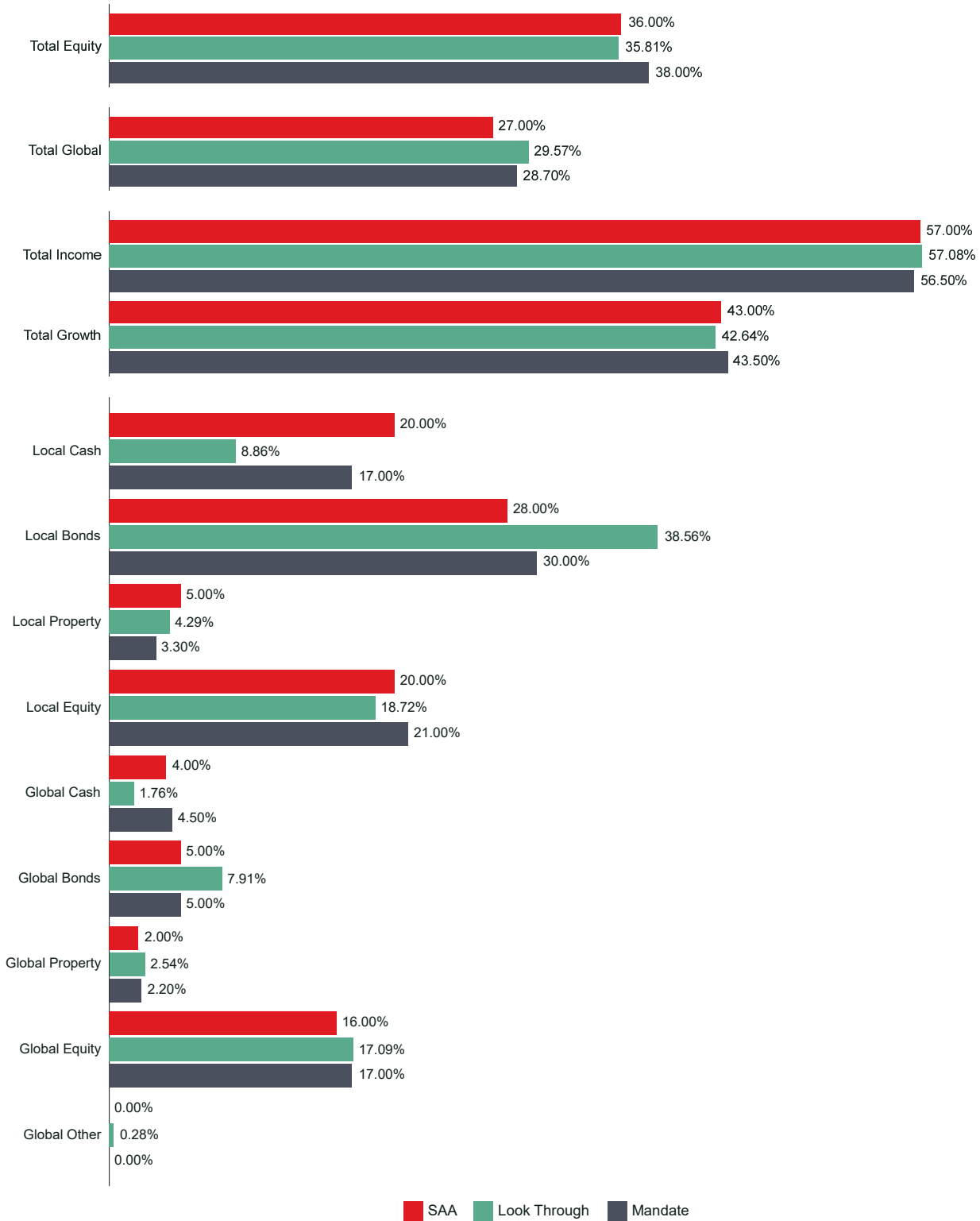
## 4.4 Equilibrium Conservative Portfolio

### 4.4.1 Building block allocation



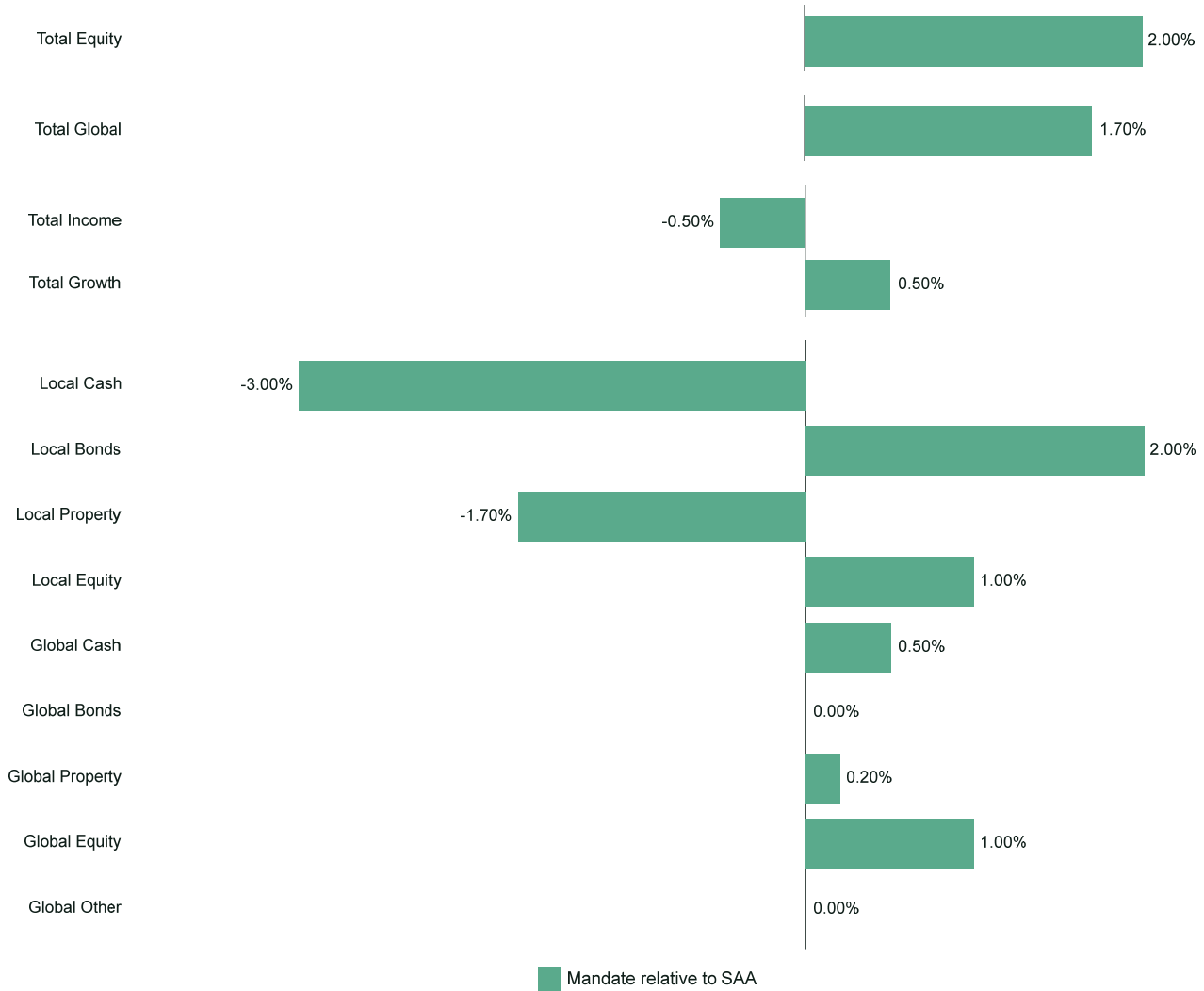


## 4.4.2 Asset allocation





### 4.4.3 Asset allocation – Mandate relative to SAA



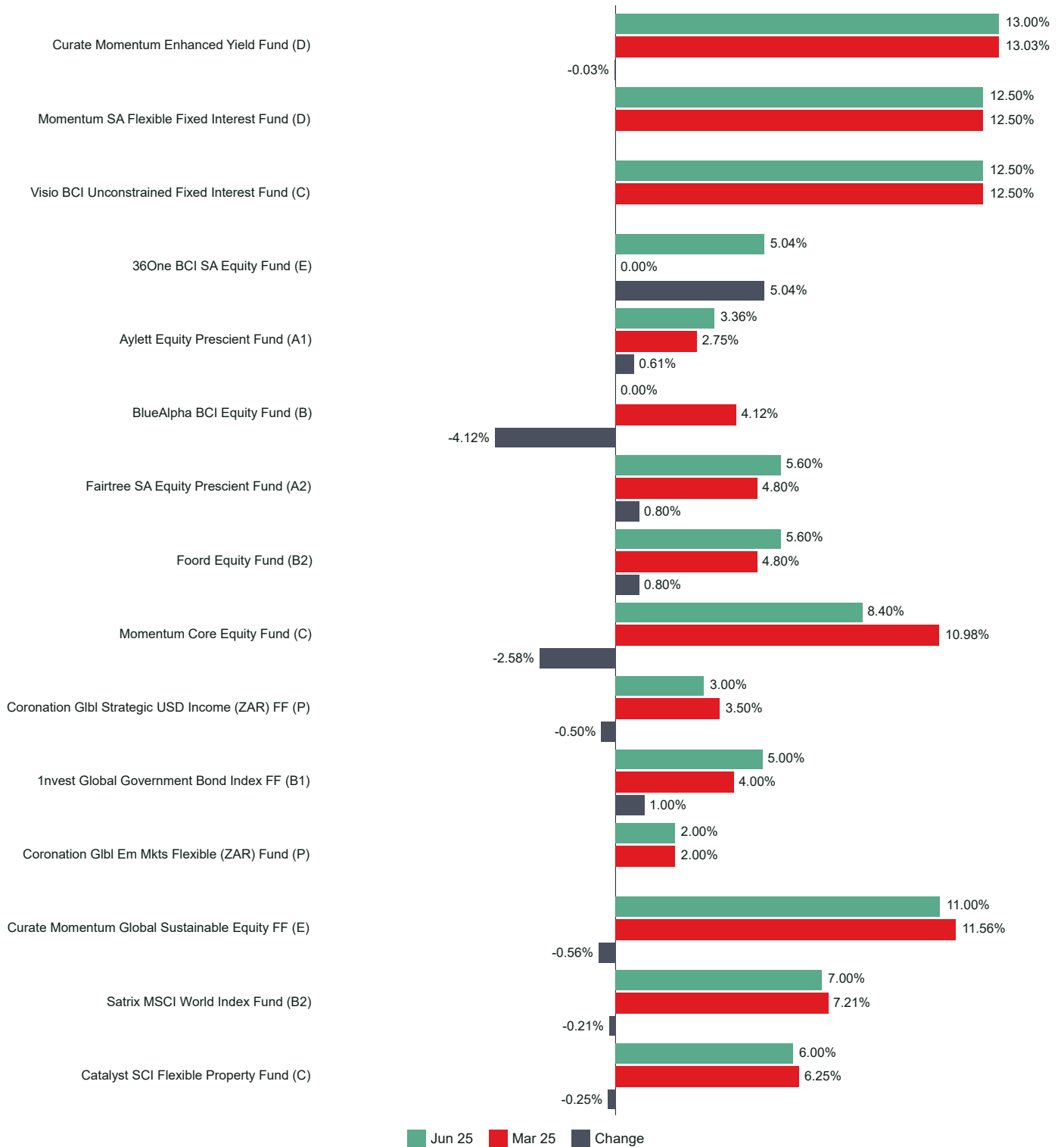
### 4.4.4 Portfolio changes/recommendations

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



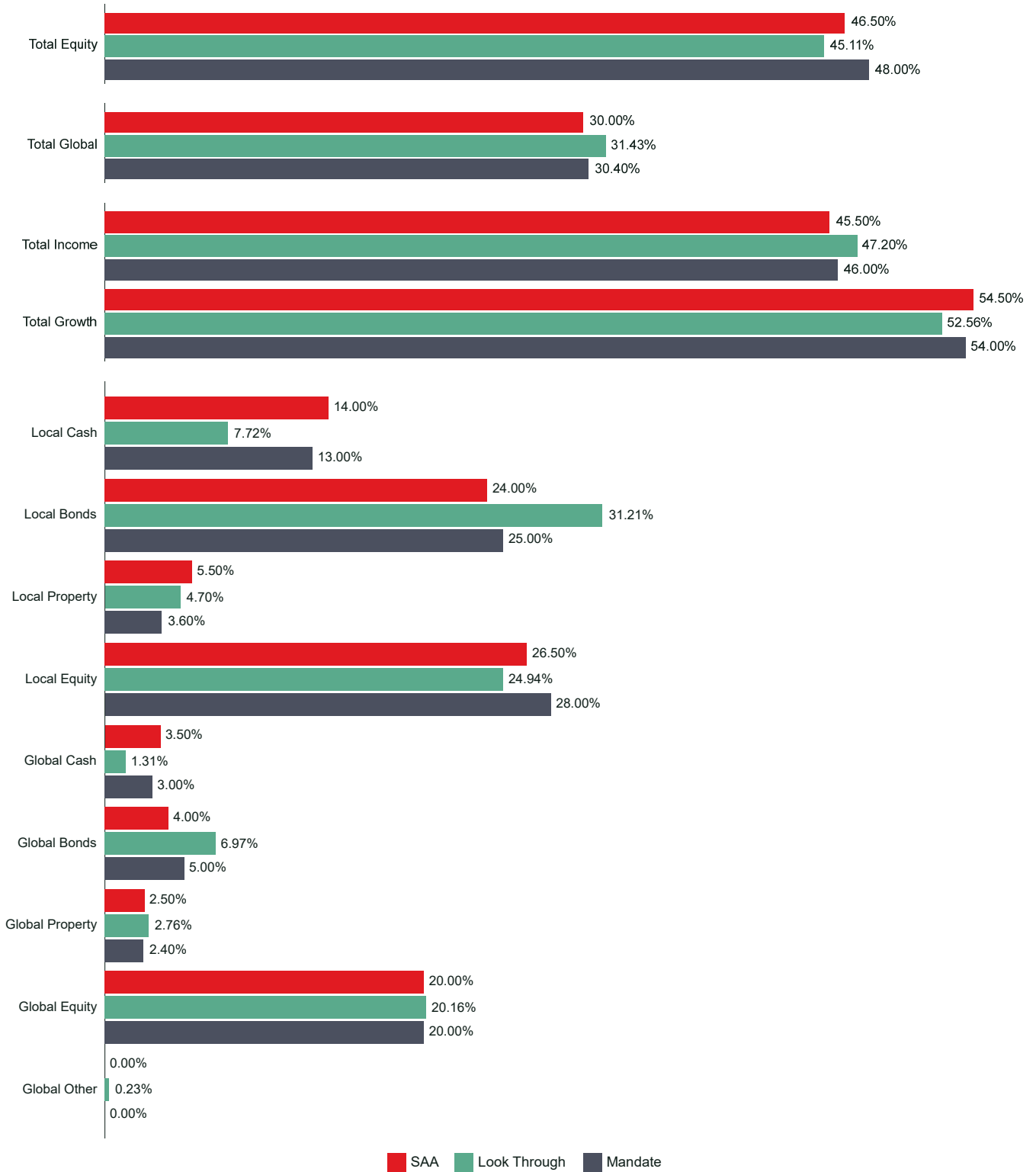
## 4.5 Equilibrium Stable Portfolio

### 4.5.1 Building block allocation



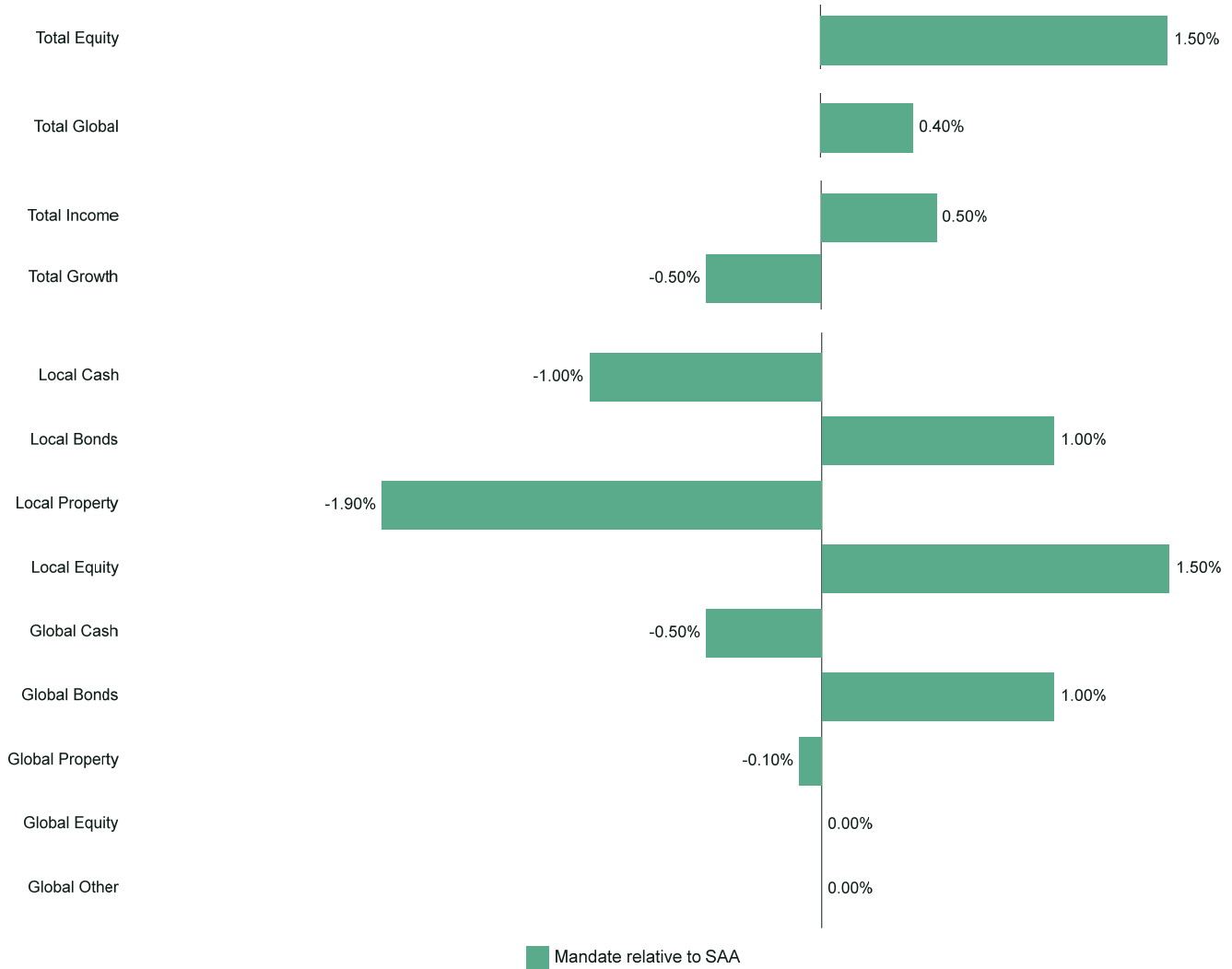


## 4.5.2 Asset allocation





### 4.5.3 Asset allocation – Mandate relative to SAA



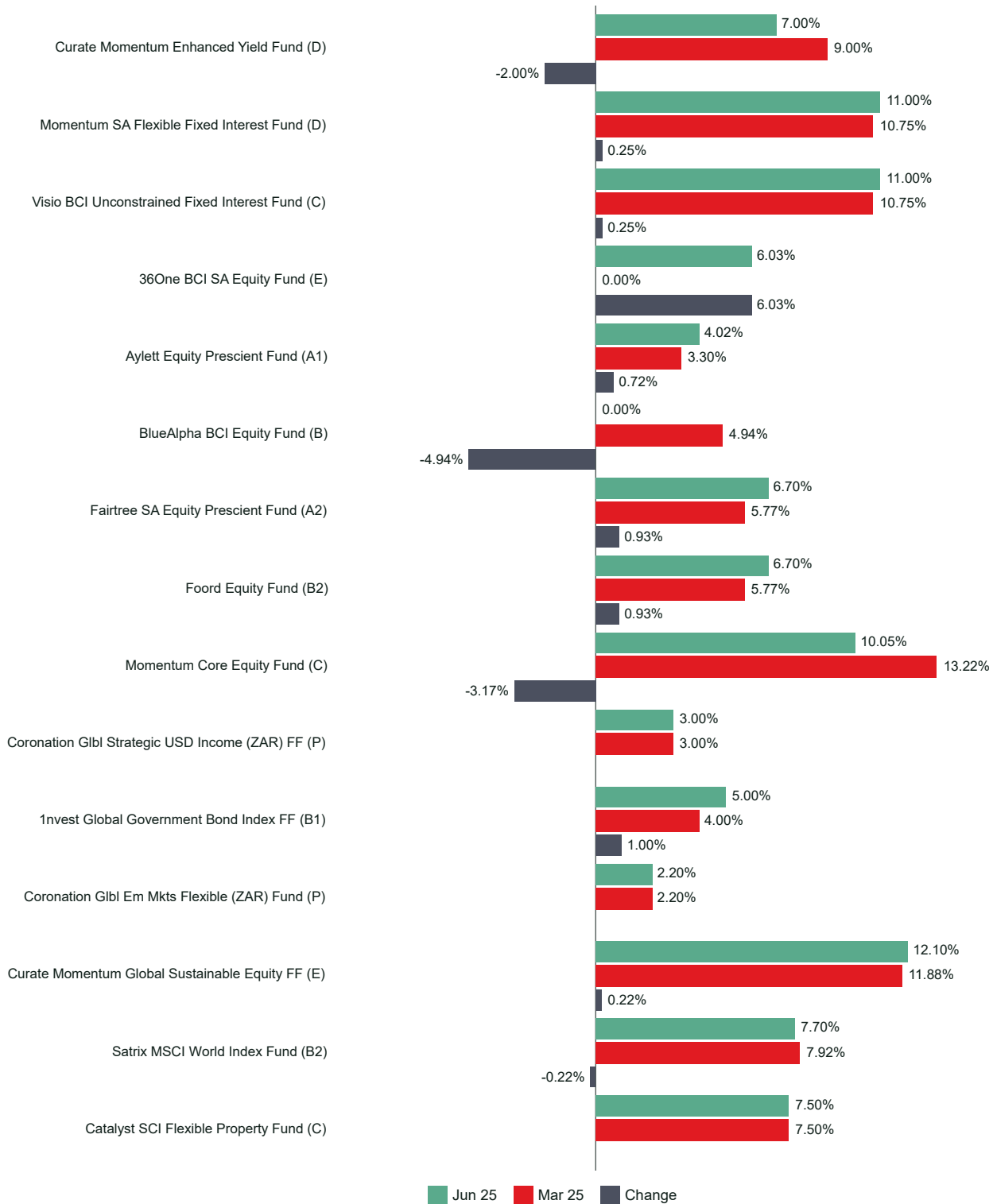
### 4.5.4 Portfolio changes/recommendations

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



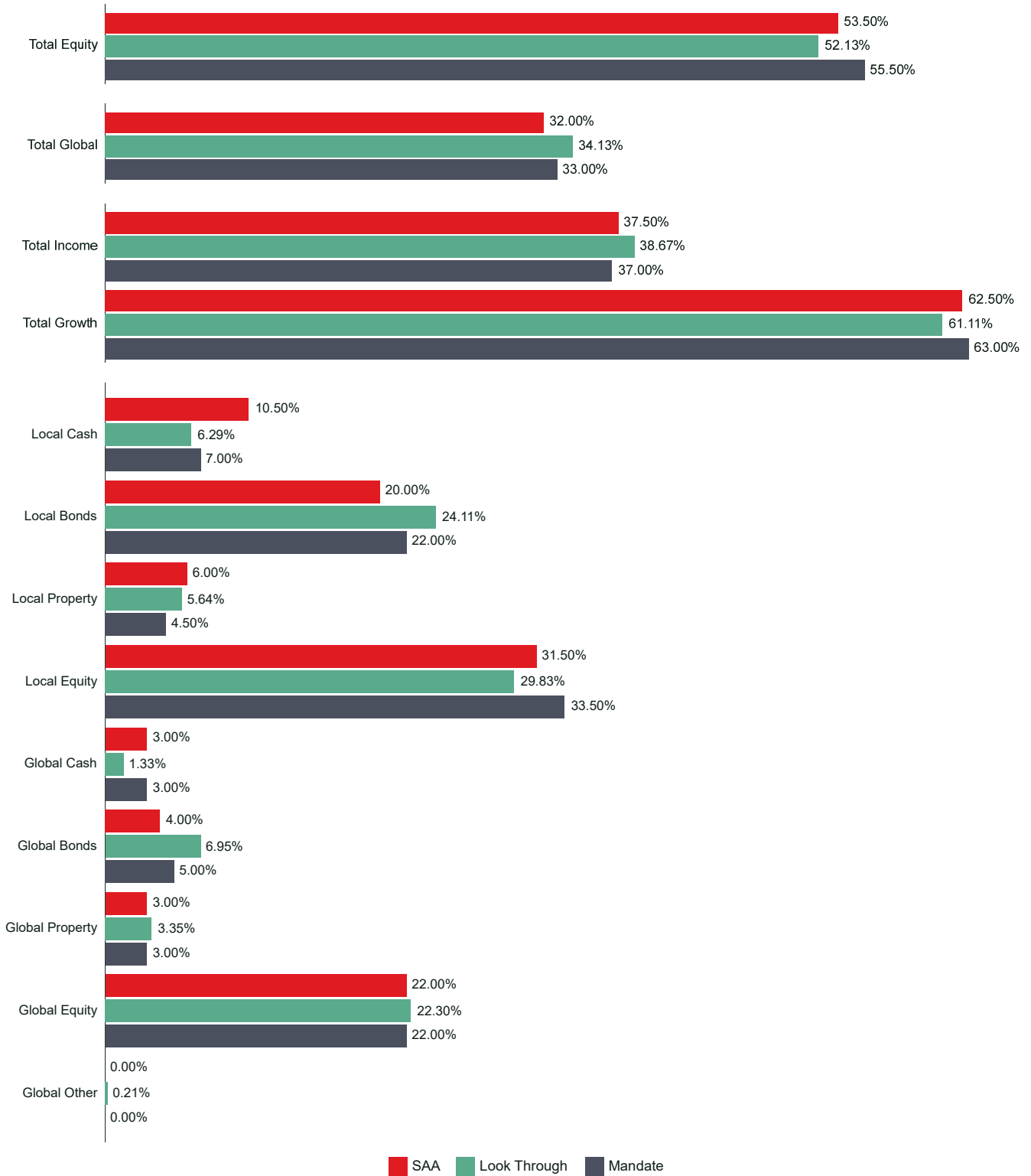
## 4.6 Equilibrium Moderate Portfolio

### 4.6.1 Building block allocation



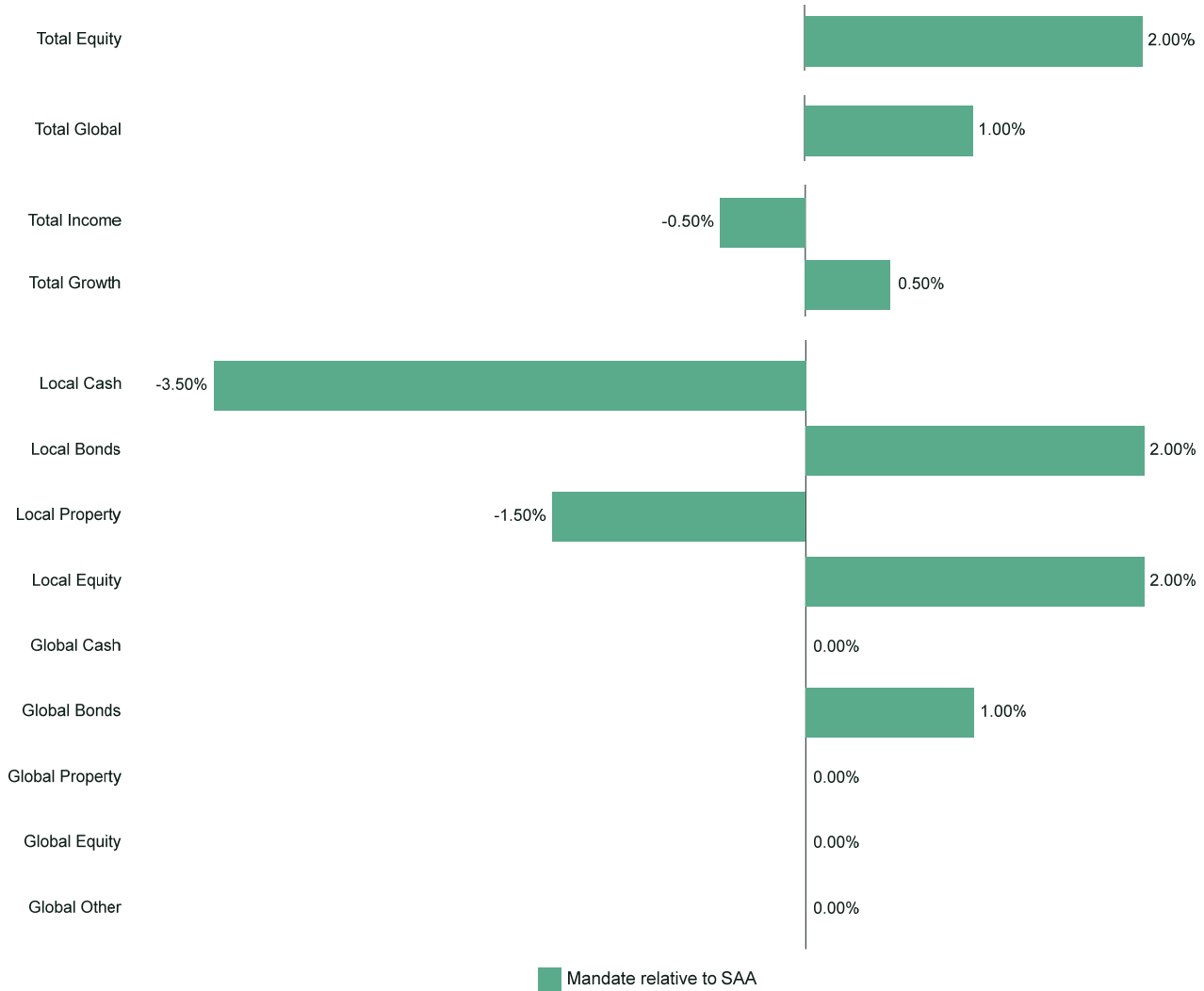


## 4.6.2 Asset allocation





### 4.6.3 Asset allocation – Mandate relative to SAA



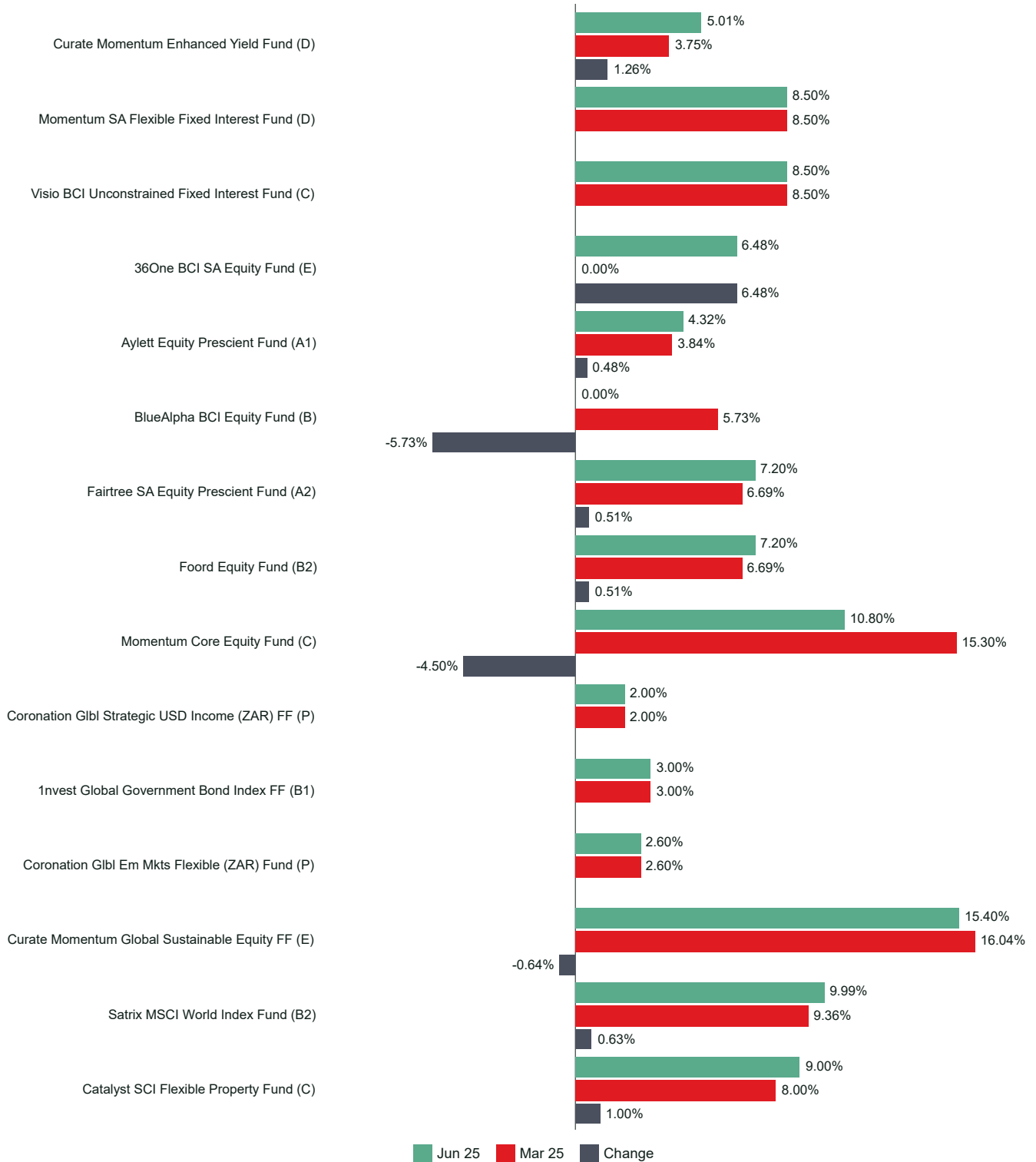
### 4.6.4 Portfolio changes/recommendations

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



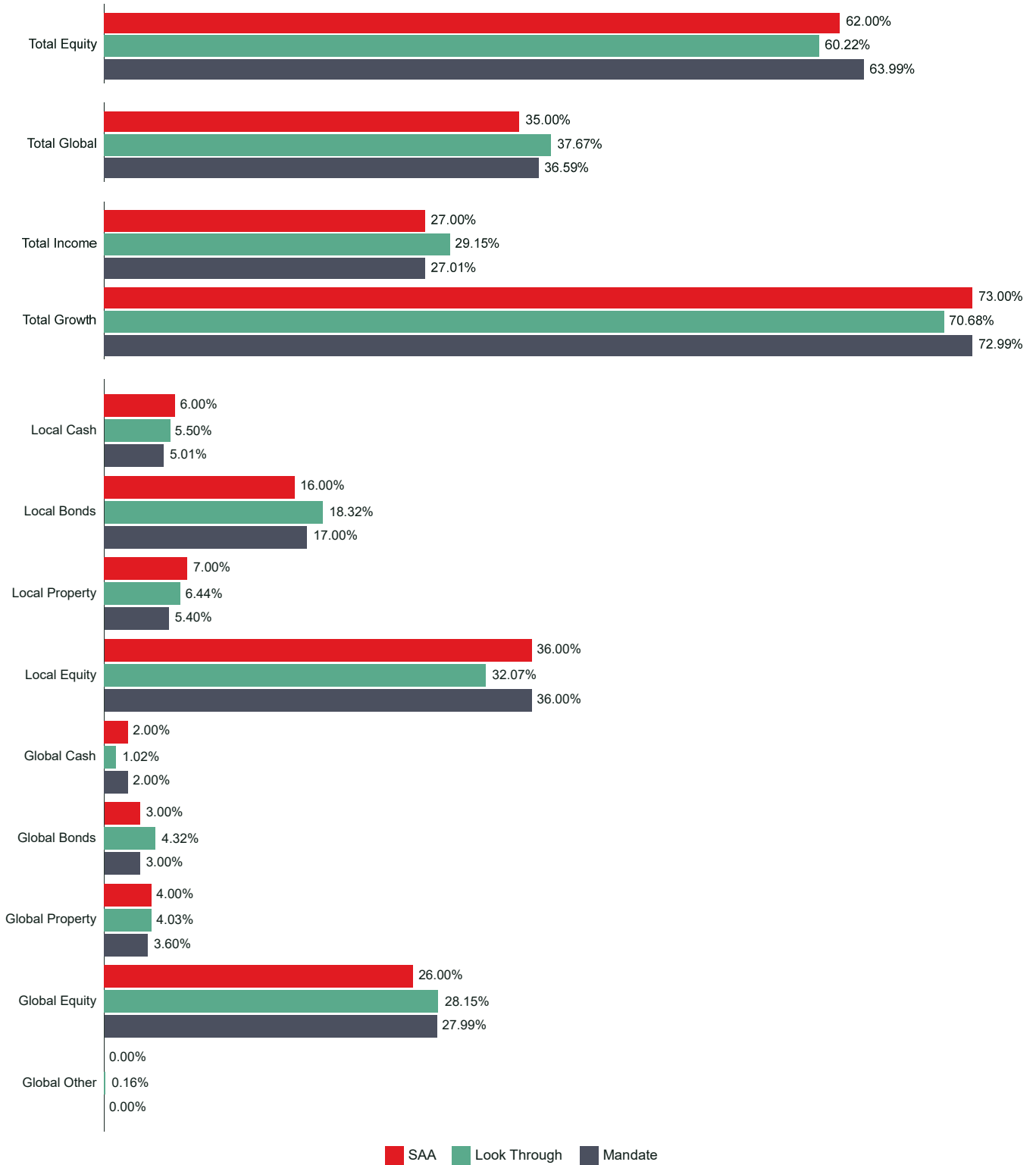
## 4.7 Equilibrium Balanced Portfolio

### 4.7.1 Building block allocation



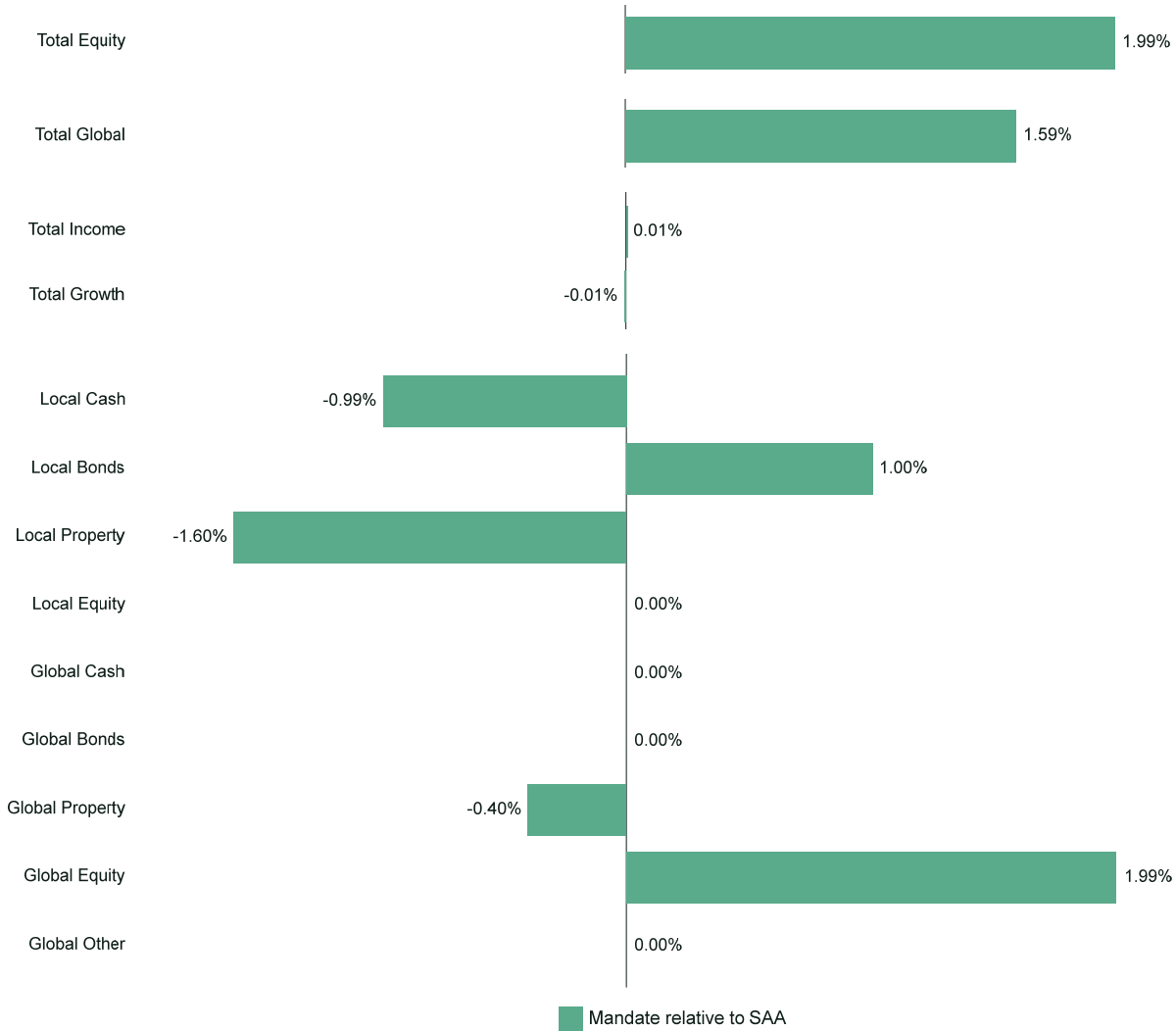


## 4.7.2 Asset allocation





### 4.7.3 Asset allocation – Mandate relative to SAA



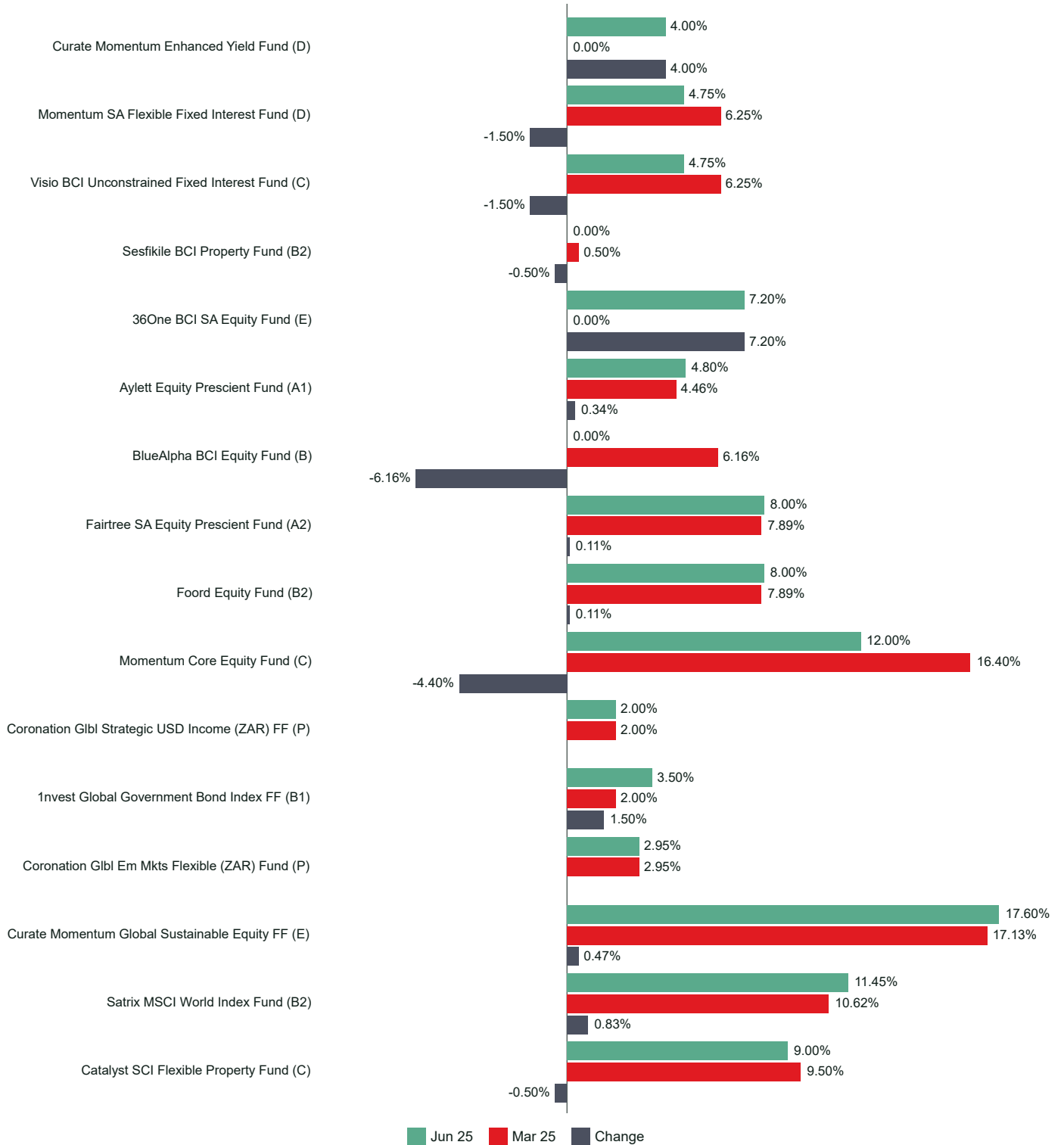
### 4.7.4 Portfolio changes/recommendations

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



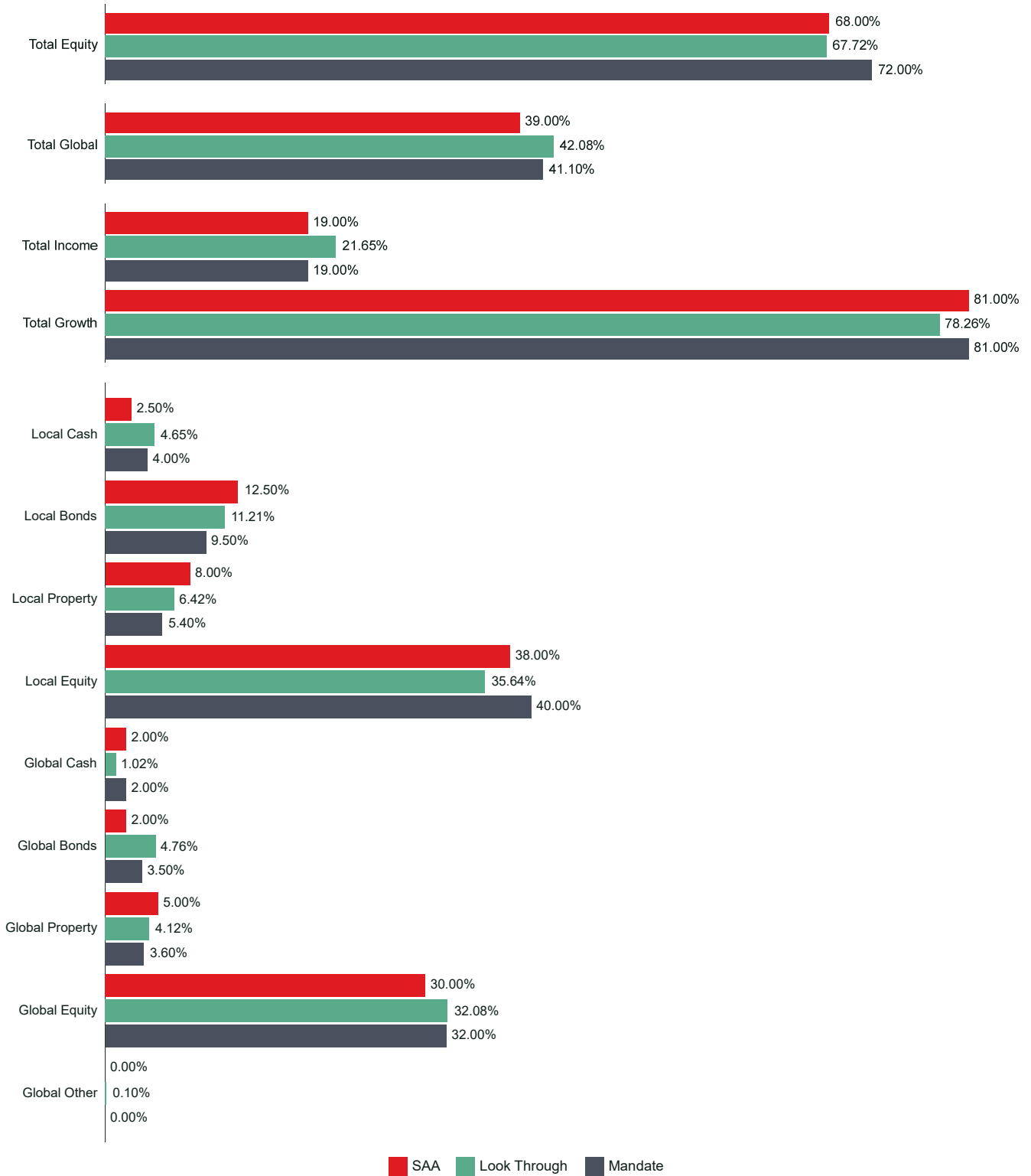
## 4.8 Equilibrium Growth Portfolio

### 4.8.1 Building block allocation



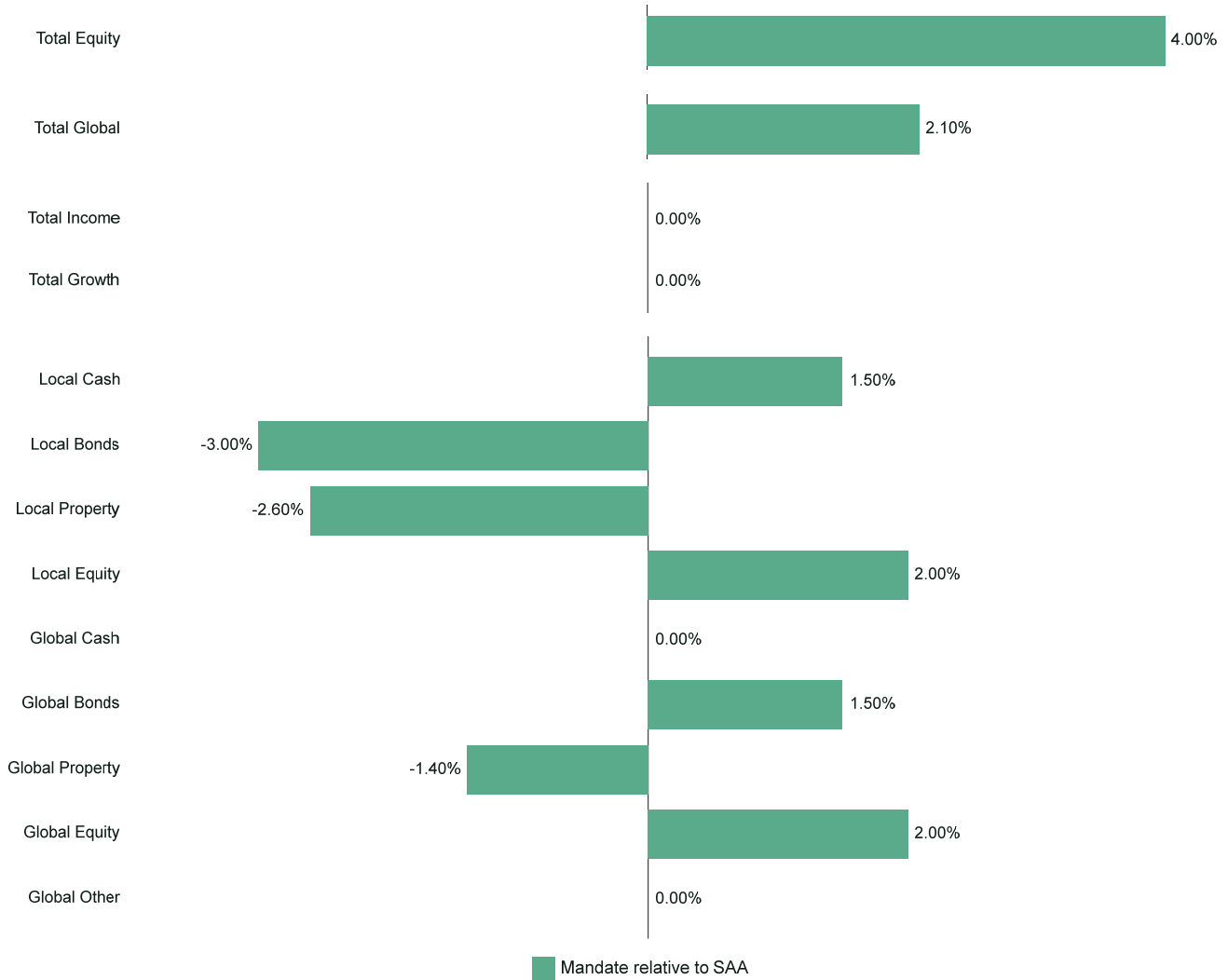


## 4.8.2 Asset allocation





### 4.8.3 Asset allocation – Mandate relative to SAA



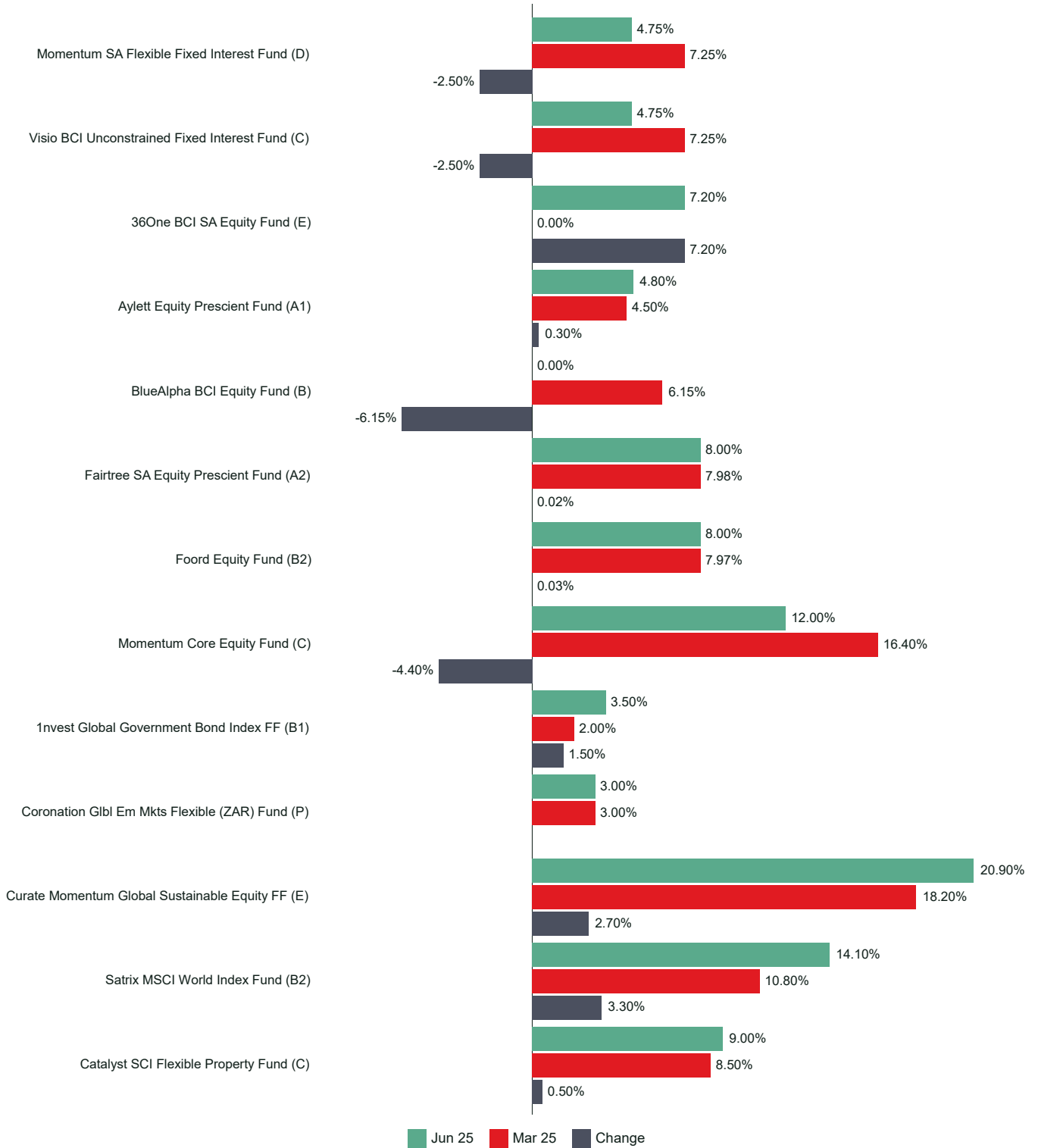
### 4.8.4 Portfolio changes/recommendations

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



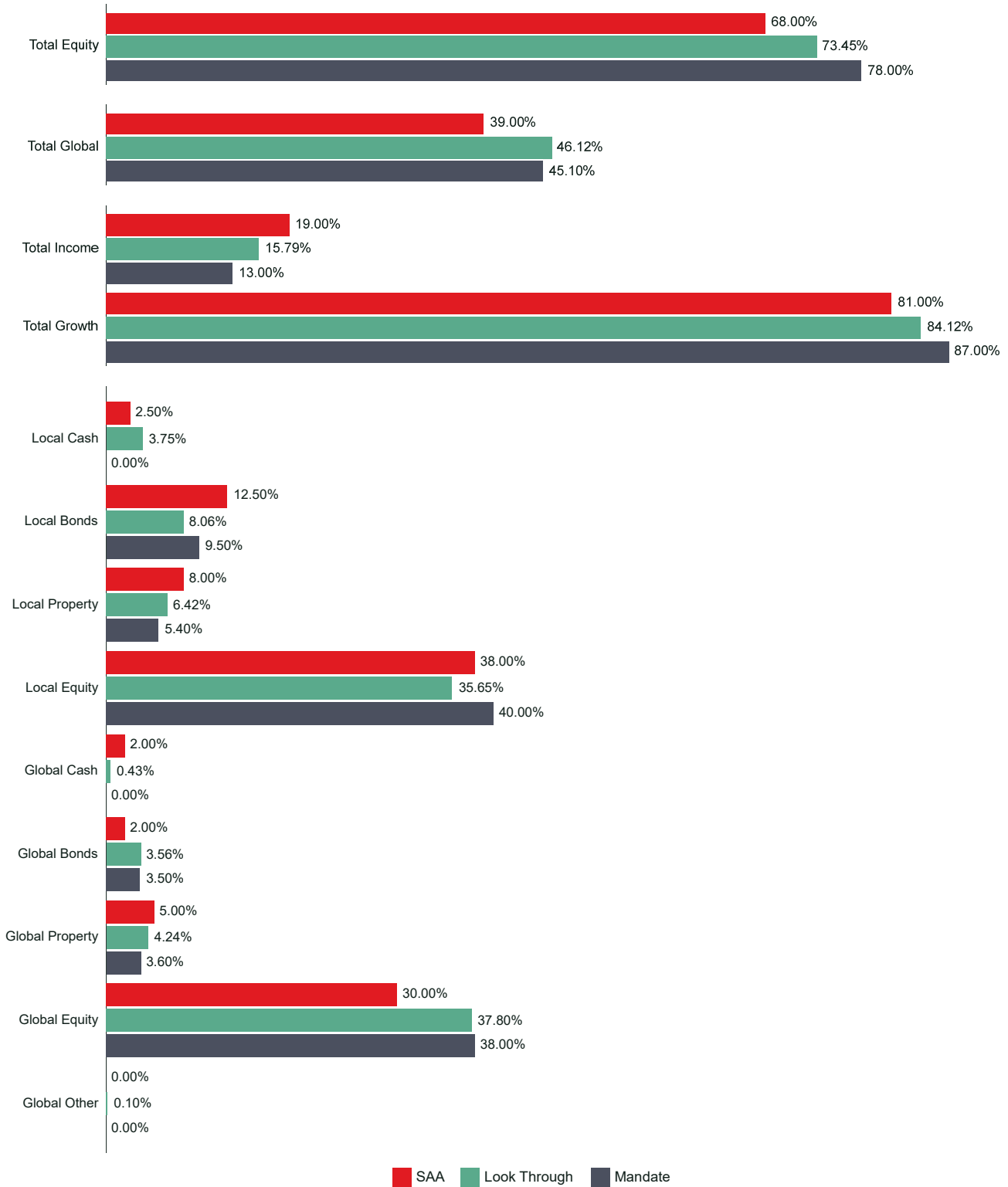
## 4.9 Equilibrium Unconstrained Portfolio

### 4.9.1 Building block allocation



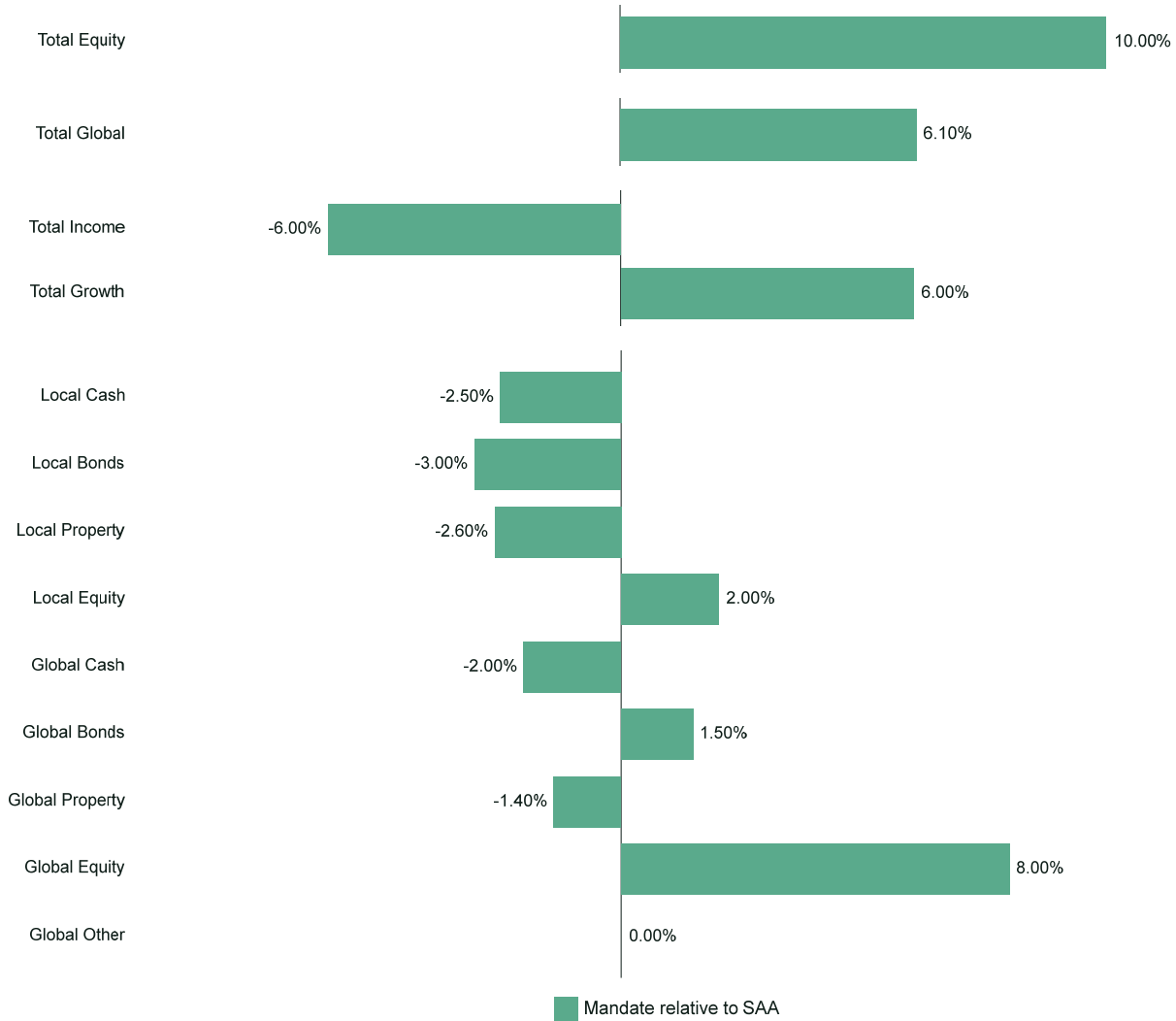


## 4.9.2 Asset allocation





### 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

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Sources: Momentum Investments and Morningstar.

*Base report generated: 29 July 2025*

Q2  
2025

**Equilibrium**

**Global Model Portfolios**

Quarterly Report



# Contents

**Global Market Review & Outlook**

**Market Performance**

**Global Asset Allocation**

**Equilibrium Global Portfolios**

**Strategic Asset Allocation**

**Portfolio Changes**

**Portfolio Returns**

**Equilibrium Global Cautious**

**Equilibrium Global Managed**

**Equilibrium Global Growth**

**Portfolio Commentary**

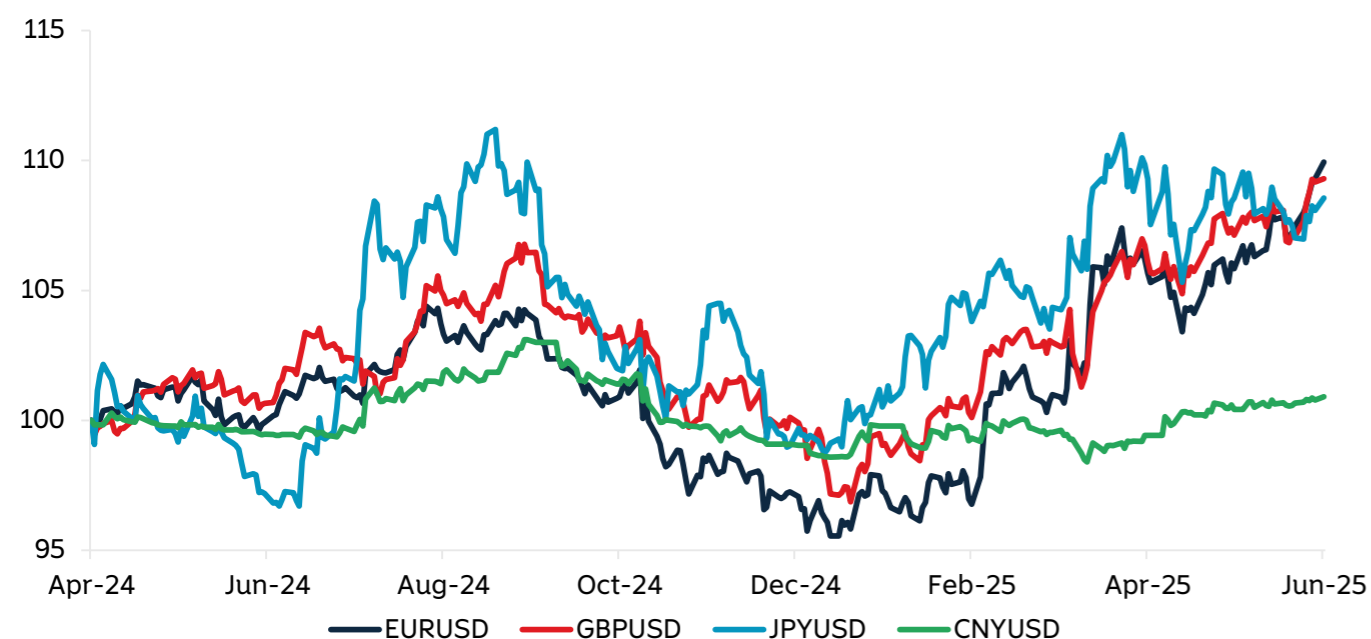
**Fund Manager Returns**

# Global market review & outlook

A quarter which began with Trump's Liberation Day reciprocal tariffs announcement, delivering a seismic shock to global financial markets and one of the sharpest two-day falls on record on Wall Street, ended with the S&P 500 and Nasdaq indices at all-time highs. In between were threats to remove Powell as Chair of the Federal Reserve, increased concerns about debt sustainability in the US which pushed 30-Year Treasury bond yields to the highest in 18 years, deterioration in the Russia-Ukraine conflict, attacks on Iran by Israel and the US, and moves by non-US members of NATO to increase defence spending dramatically in the face of the greatest risks to global peace since WWII. But nothing seems to derail the global bull market in equities, with global equities up by 24% since the 8 April low, led by US megacap tech stocks, the Magnificent 7 index up 37%.

Arguably the most significant feature in financial markets, however, was in currencies. Amidst the intense uncertainty and unpredictability of policy making in the Trump administration, US exceptionalism was called into question, most clearly reflected in a sharp and persistent fall in the US dollar through the second quarter, building on the fall in Q1. On a trade weighted basis the dollar fell by 7.0% in Q2, and is down by 10.7% YTD, to its lowest level since early 2022. Among the major currencies, the euro was strongest, +9% in Q2, followed by sterling +6.3% and the yen +4.1%, making currency moves the biggest driver of returns in USD terms in Q2 and YTD.

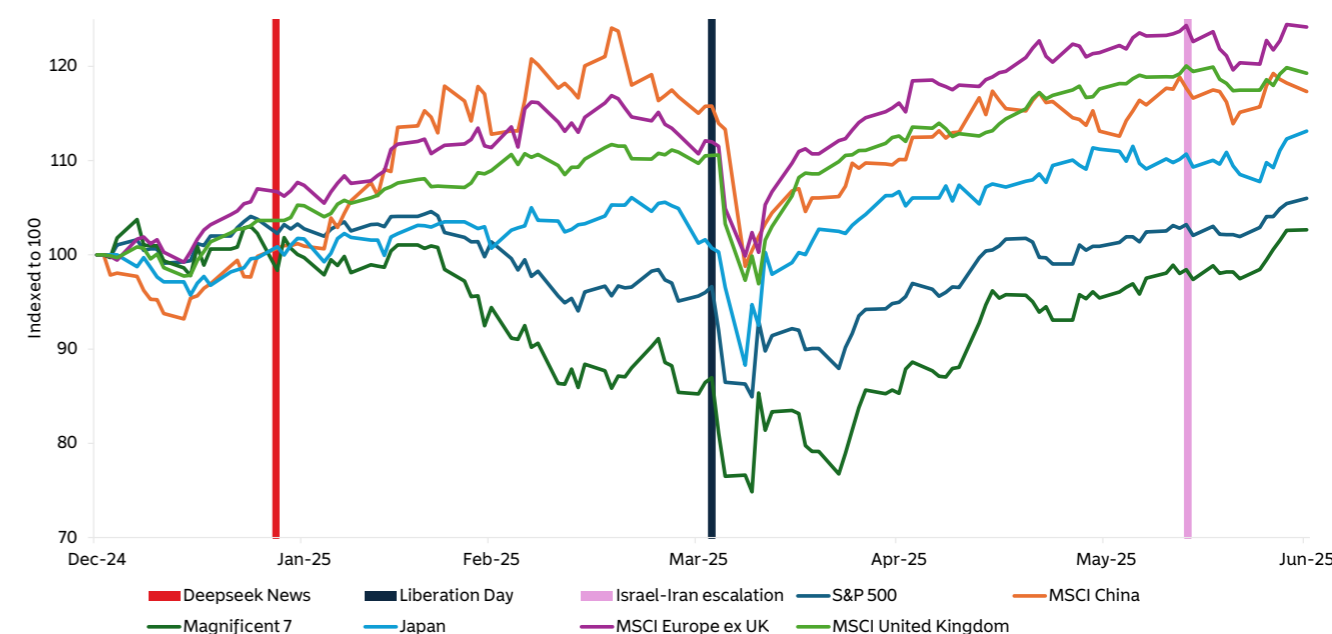
Major currencies vs. USD over 1 year



Source: Bloomberg Finance L.P., as at 30 June 2025.

After its fall in the first quarter, the US equity market led the way in Q2, +10.8%, compared with returns in local currency terms of +3.2% in Europe ex-UK, +2.3% in the UK, and +7.5% in Japan, but the big falls in the dollar meant that returns in USD terms in Europe and Japan were ahead of the US, and the UK was only marginally behind. As a result, global equities in dollar terms produced a return of +11.5% in Q2, including a gain of 4.3% in June. Emerging markets participated fully in the rise, +12% in Q2, although China was a notable laggard, +2%, with its economy continuing to struggle and more exposed to US tariffs than most.

Equity returns YTD in USD terms



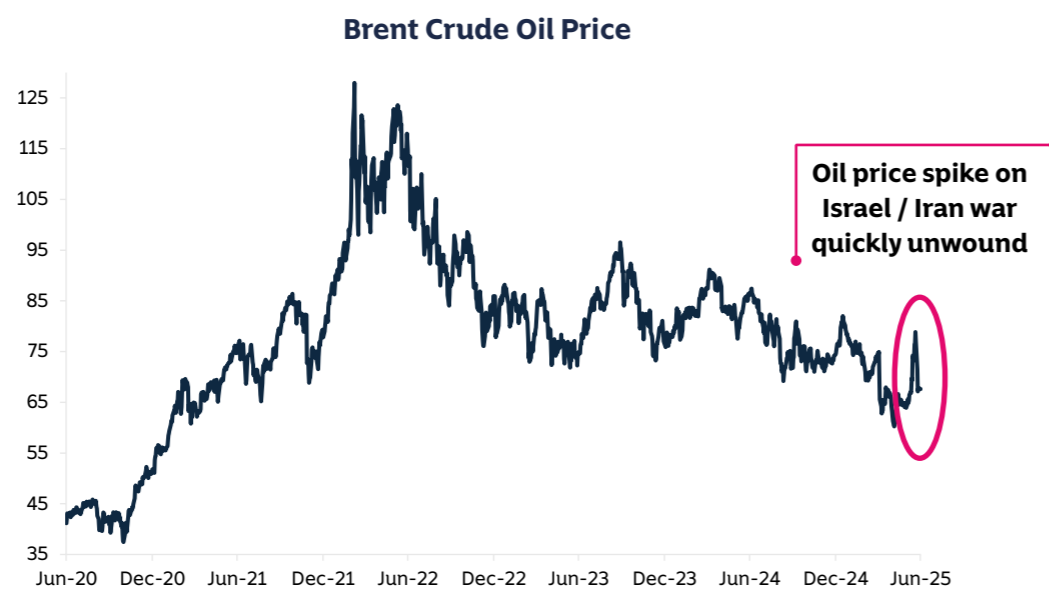
Source: Bloomberg Finance L.P., as at 30 June 2025.

Dollar weakness was a factor in the sharp rise in the gold price, up 5.7% in Q2, taking its rise year-to-date to 25.9%, making it the best performing asset class so far this year. Flows out of the dollar, geopolitical worries, concerns about debt sustainability, and substantial buying by central banks have underpinned an extraordinary bull market in gold, up by over 40% in the past year.



### Key drivers of the strength in equity markets were:

1. De-escalation of tariff wars, with the US granting a 90 day pause for negotiations to conclude deals with individual countries, that pause to end on 9th July. As the deadline approaches deals are being done, most importantly with China, and with increasing probability the EU, the trading partners with the biggest surpluses with the US. Worst-case scenarios have been dismissed, and the threat of recession reduced significantly. Markets are now discounting an average tariff increase on most US goods imports of around 12%, made up mostly of the 10% universal tariff imposed on 5th April.
2. Similarly, in the face of a big rise in bond yields, Trump pushed back on his threats to dismiss Powell, a move which would have severely compromised the independence of the Fed.
3. Israel's extraordinary success in eliminating a meaningful military retaliation by Iran and its proxies largely removed the risk of escalation of the war across the Middle East. This was best reflected in the oil price, which initially surged higher on the Israel-Iran conflict, before losing all the gain as the outcome became clear (and subsequently confirmed with a truce between the 2 countries). With a sluggish global economy and increasing supplies from the OPEC+ group of oil producers, the oil price remains under pressure, helping to keep inflation subdued.



Source: Bloomberg Finance L.P., as at 30 June 2025.

4. Despite the intense uncertainty triggered by tariff wars, geopolitics, seemingly chaotic US policy-making and a re-writing of the post-war global order, the global economy and corporate earnings have been surprisingly resilient, helped in no small part by the extraordinary boom driven by AI. By quarter end, Nvidia, arguably the most prominent of AI beneficiaries, had recovered from a big sell-off as tariff threats intensified, to return to the largest company in the world by market cap, at \$3.8tn, up by over 60% from its early April low. At that level, the company has a bigger capitalisation than any stock market outside the US other than Japan.
5. Towards the end of the quarter, as signs emerged of weakening in the key US consumer sector, expectations of accelerated rate cuts by the Fed began to be priced in to markets, despite the Fed itself remaining cautious on the pace of cuts. At its latest quarterly 'Dot Plot' of Fed governors' economic projections, the median projection for the Fed Funds rate by the end of 2025 was for 50bps of cuts, with a further 50bps in 2026.

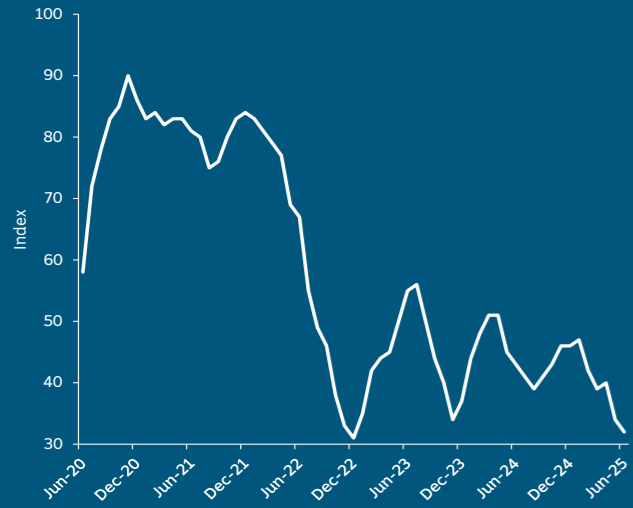
As with equities, on the surface bonds would seem to have had an uneventful quarter, US Treasuries returning +0.8% and global government bonds +4.1%, the latter mostly driven by currency moves. The yield on the 10Y US Treasury ended the quarter at 4.2%, exactly where it started. However, this masks some significant volatility. The 10Y yield peaked at 4.6% in May as fears of debt sustainability intensified, with Moody's downgrading its US sovereign credit rating to one notch below triple A, and Trump's tax-cutting 'One Big Beautiful Bill' working its way through Congress. Investors' attention was focussed on the size of the fiscal deficit, running at 6.3% of GDP, and the Federal debt pile of \$36tn, around 120% of GDP, with successive administrations failing to rein in either, and the current one also showing no real appetite to do so. Interest payments on Federal debt now amount to over 13% of Federal spending, almost double the level of 8 years ago, and more than is spent on defence.

With the fiscal trajectory looking increasingly unsustainable, the yield curve steepened through the quarter as investors worried about the increasing supply of debt and the cost of funding it longer term, whereas the prospect of rate cuts improved later in the quarter as signs emerged of weakness in the household sector. The yield on 2Y Treasuries fell over the quarter by 16bps to 3.72%, whereas the 30Y yield rose by 20bps to 4.77% (having peaked at 5.1% in mid-May). The yield spread of 105bps between the two bonds compares with a negative spread of almost 100bps two years ago.

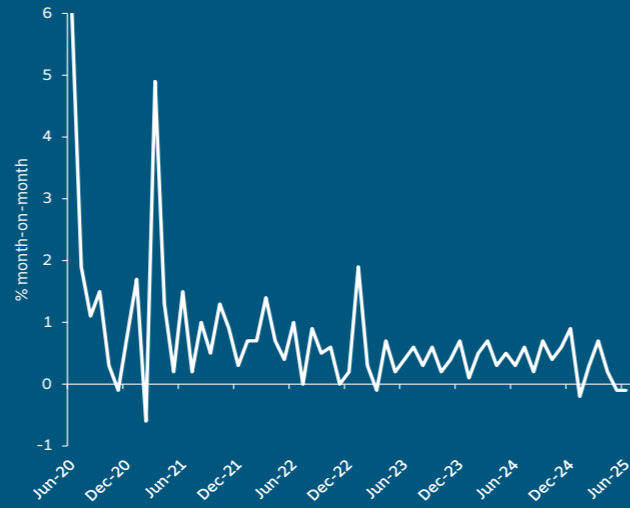
Valuations of longer dated government bonds have thus improved materially, with the real yield on 30Y Treasuries now around 2.5%, but duration risks and fiscal concerns are likely to keep yields at relatively high levels for the foreseeable future, a pattern which is likely to be replicated elsewhere as most other major economies are struggling under the weight of very high government debt. The one notable exception, Germany, is in a strong fiscal position but about to enter a new phase when it is relaxing its constitutional debt brake to ramp up defence and infrastructure expenditure on a multi-year basis (a key factor in making the German stock market one of the best performers so far this year, up 19%).

Although tariff fears have eased considerably, concerns remain about their impact on the economy. Activity levels have already been distorted, with purchases in the US pulled forward to offset the impact of tariffs, while exporters to the US similarly benefitted from a sales surge. This goes some way to explain the unexpectedly weak performance of the US economy in Q1 and stronger data from Europe and the UK. This effect will unwind in coming months, but the US consumer appears to be flagging. Growth in personal consumption expenditures have slowed in recent months and fell into negative territory in May, while the housing market is struggling under the weight of affordability and 30Y mortgage rates still very high at around 6.8%. The NAHB Housing index has been in steady decline this year and fell to a near three-year low in June. The big unknown is the extent and persistence of the damage to consumer and business confidence from tariffs, and resultant impact on the economy, an uncertainty which hangs over equity markets after their strong recovery from the Liberation Day sell-off.

### US NAHB/Wells Fargo Housing Market Index



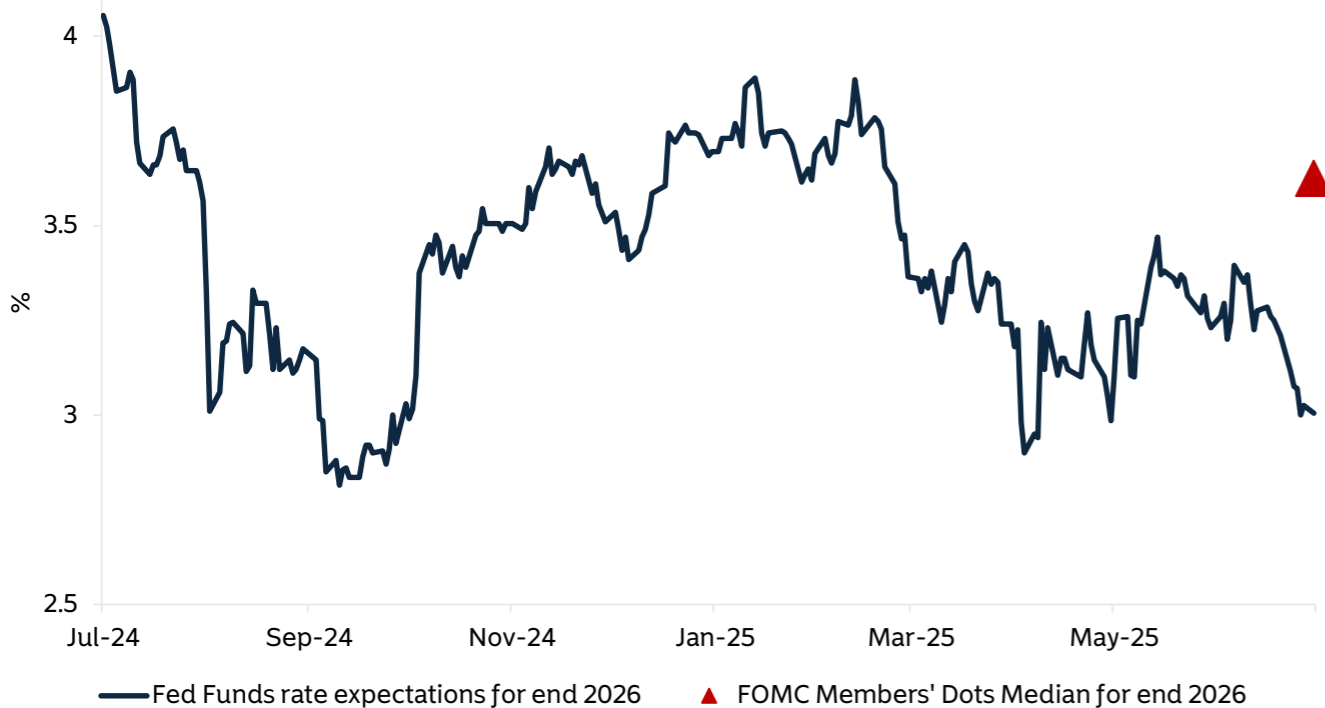
### US Personal Consumption Expenditures



Source: Bloomberg Finance L.P., as at 30 June 2025.

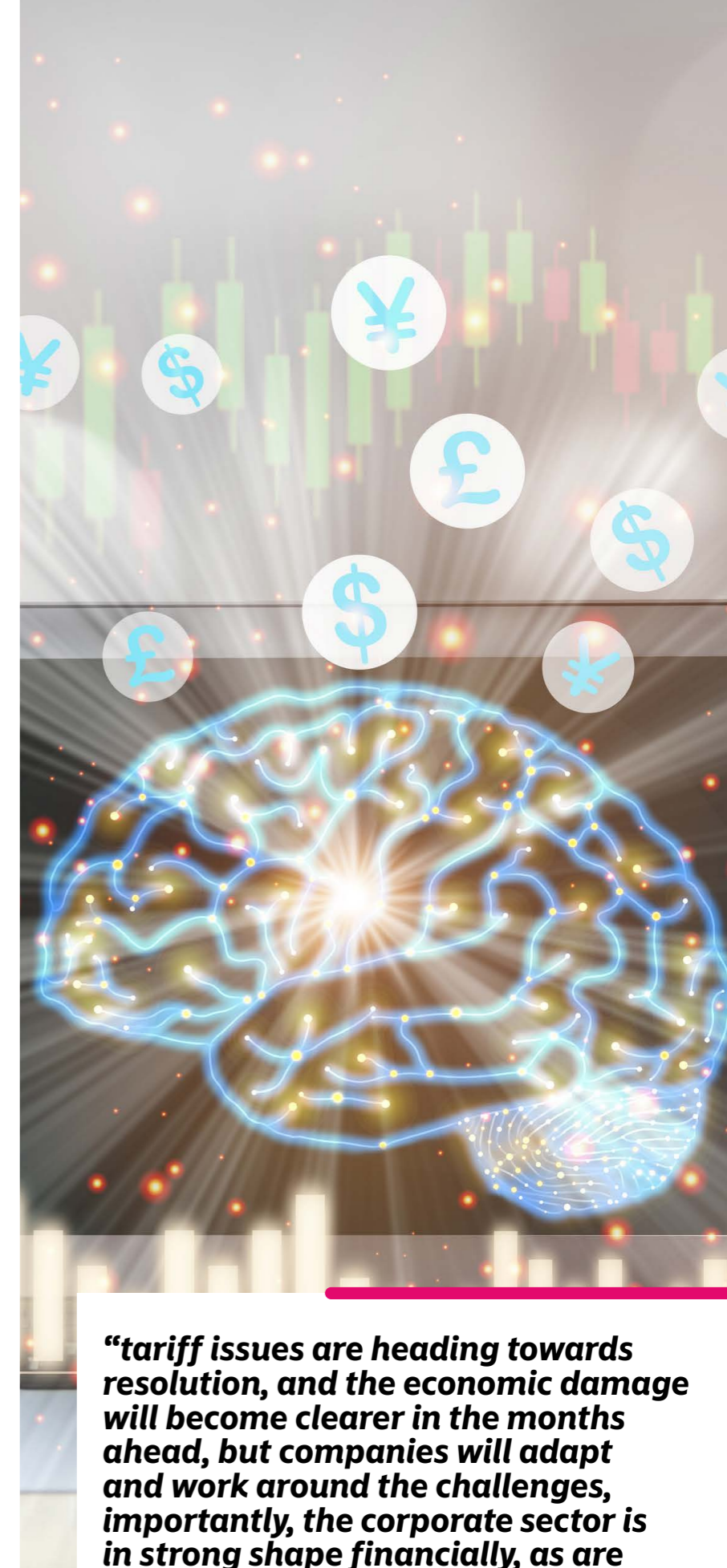
In the face of this uncertainty the Fed has been cautious and kept rates on hold at its May meeting, signalling cuts ahead but at a slow pace. The recent softening in the consumer sector and labour market have led markets to price in a somewhat more aggressive pace of cuts, which would provide support for risk assets, potentially offsetting a more difficult environment for the corporate sector. Adding to this narrative has been the prospect that Trump will announce Fed chair Powell's successor well ahead of the end of his term in May 2026. That successor will undoubtedly be more dovish than Powell, who could become something of a lame duck.

### US Interest Rate Expectations for end 2026 market expecting rates to fall further than Fed projections



Source: Bloomberg Finance L.P., as at 30 June 2025.

Uncertainty, combined with the strong run in markets, suggests some consolidation is due, and a degree of caution is called for shorter term. But the tariff issues are heading towards resolution, and the economic damage will become clearer in the months ahead. Companies will adapt and work around the challenges created by the levies, and, importantly, the corporate sector is in strong shape financially, as are households and banks. The prospect of further cuts in interest rates in the US and Europe, together with the rapidly evolving impact of AI on productivity, will help to underpin markets as the year progresses. We recognise the wide range of potential outcomes given current uncertainties, and firmly believe that diversification will be vital, but volatility will create opportunities to add to risk in our portfolios, albeit with patience in the short term.



**“tariff issues are heading towards resolution, and the economic damage will become clearer in the months ahead, but companies will adapt and work around the challenges, importantly, the corporate sector is in strong shape financially, as are households and banks”**

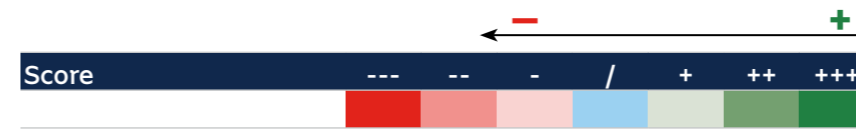
# Market performance - Global as at 30 June 2025 (local currency terms)

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
<b>Developed Markets Equities</b>						
United States	S&P 500 NR	USD	5.0%	10.8%	6.0%	14.7%
United Kingdom	MSCI UK NR	GBP	-0.5%	2.3%	8.9%	10.6%
Continental Europe	MSCI Europe ex UK NR	EUR	-1.1%	3.2%	9.5%	7.6%
Japan	Topix TR	JPY	2.0%	7.5%	3.8%*	4.1%
Asia Pacific (ex Japan)	MSCI AC Asia Pacific ex Japan NR	USD	5.7%	12.8%	14.1%	15.8%
Global	MSCI World NR	USD	4.3%	11.5%	9.5%	16.3%
<b>Emerging Markets Equities</b>						
Emerging Europe	MSCI EM Europe NR	USD	7.8%	16.5%	36.0%	23.9%
Emerging Asia	MSCI EM Asia NR	USD	6.3%	12.4%	13.9%	14.9%
Emerging Latin America	MSCI EM Latin America NR	USD	6.1%	15.2%	29.9%	13.4%
BRICs	MSCI BRIC NR	USD	3.8%	5.4%	14.0%	18.0%
China	MSCI China NR	USD	3.7%	2.0%	17.3%	33.8%
Global emerging markets	MSCI Emerging Markets NR	USD	6.0%	12.0%	15.3%	15.3%
<b>Bonds</b>						
US Treasuries	JP Morgan United States Government Bond TR	USD	1.2%	0.8%	3.7%	5.2%
US Treasuries (inflation protected)	BBgBarc US Government Inflation Linked TR	USD	1.0%	0.4%	4.6%	5.7%
US Corporate (investment grade)	BBgBarc US Corporate Investment Grade TR	USD	1.9%	1.8%	4.2%	6.9%
US High Yield	BBgBarc US High Yield 2% Issuer Cap TR	USD	1.8%	3.5%	4.6%	10.3%
UK Gilts	JP Morgan UK Government Bond TR	GBP	1.5%	2.0%	2.5%	1.4%
UK Corporate (investment grade)	ICE BofAML Sterling Non-Gilt TR	GBP	1.6%	2.7%	3.4%	5.4%
Euro Government Bonds	ICE BofAML Euro Government TR	EUR	-0.2%	1.8%	0.6%	4.4%
Euro Corporate (investment grade)	BBgBarc Euro Aggregate Corporate TR	EUR	0.3%	1.8%	1.8%	6.0%
Euro High Yield	BBgBarc European HY 3% Constrained TR	EUR	0.4%	2.1%	2.7%	8.1%
Japanese Government	JP Morgan Japan Government Bond TR	JPY	0.5%	-0.3%	-2.7%	-2.7%
Australian Government	JP Morgan Australia GBI TR	AUD	0.8%	2.6%	3.8%	6.1%
Global Government Bonds	JP Morgan Global GBI	USD	1.7%	4.1%	7.1%	8.1%
Global Bonds	ICE BofAML Global Broad Market	USD	2.0%	4.3%	7.3%	8.7%
Global Convertible Bonds	ICE BofAML Global Convertibles	USD	4.1%	9.8%	11.0%	19.3%
Emerging Market Bonds	JP Morgan EMBI+ (Hard currency)	USD	2.5%	4.0%	6.2%	11.6%

Asset Class / Region	Index	Ccy	1 month	3 months	YTD	12 months
<b>Property</b>						
US Property Securities	MSCI US REIT NR	USD	-0.8%	-1.5%	-0.7%	7.6%
Australian Property Securities	S&P/ASX 200 A-REIT Index TR	AUD	0.7%	12.4%	4.2%	10.3%
Asia Property Securities	S&P Asia Property 40 Index NR	USD	4.2%	10.2%	17.1%	20.2%
Global Property Securities	S&P Global Property USD TR	USD	1.5%	5.4%	6.9%	13.4%
<b>Currencies</b>						
Euro		USD	3.9%	9.0%	13.8%	10.0%
UK Pound Sterling		USD	2.0%	6.3%	9.7%	8.6%
Japanese Yen		USD	0.0%	4.1%	9.1%	11.7%
Australian Dollar		USD	2.3%	5.3%	6.4%	-1.3%
South African Rand		USD	1.6%	3.5%	6.4%	2.7%
<b>Commodities &amp; Alternatives</b>						
Commodities	RICI TR	USD	4.1%	-3.1%	2.0%	1.0%
Agricultural Commodities	RICI Agriculture TR	USD	-1.2%	-2.4%	-3.3%	0.0%
Oil	Brent Crude Oil	USD	5.8%	-9.5%	-9.4%	-21.8%
Gold	Gold Spot	USD	0.4%	5.7%	25.9%	42.0%
<b>Interest Rates</b>						
						<b>Current Rate</b>
United States						4.50%
United Kingdom						4.25%
Eurozone						2.15%
Japan						0.50%
Australia						3.85%
South Africa						7.25%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Past performance is not indicative of future returns. \*estimated figures.

# Asset allocation views



Score	Change	---	--	-	/	+	++	+++
<b>MAIN ASSET CLASSES</b>	▲/▼/—							
Equities	—							
Fixed Income	—							
Alternatives	—							
Cash	—							

Score	Change	---	--	-	/	+	++	+++
<b>EQUITIES</b>	▲/▼/—							
Developed Equities	—							
UK Equities	—							
European Equities	▲							
US Equities	—							
Japanese Equities	▼							
Emerging Market Equities	—							

Score	Change	---	--	-	/	+	++	+++
<b>FIXED INCOME</b>	▲/▼/—							
Government	▲							
Index-Linked	▲							
Investment Grade Corporate	—							
High Yield Corporate	—							
Emerging Market Debt	▲							

Score	Change	---	--	-	/	+	++	+++
<b>SPECIALIST ASSETS/ALTERNATIVES</b>	▲/▼/—							
Global Listed Property	—							
Global Listed Infrastructure	—							
Specialist Assets	—							
Liquid Alternatives	—							
Gold	—							

Score	Change	---	--	-	/	+	++	+++
<b>CURRENCIES vs. USD</b>	▲/▼/—							
GBP	—							
EUR	—							
JPY	—							

The asset allocation views are updated at the end of each quarter unless otherwise stated.



# Equilibrium Global Portfolios

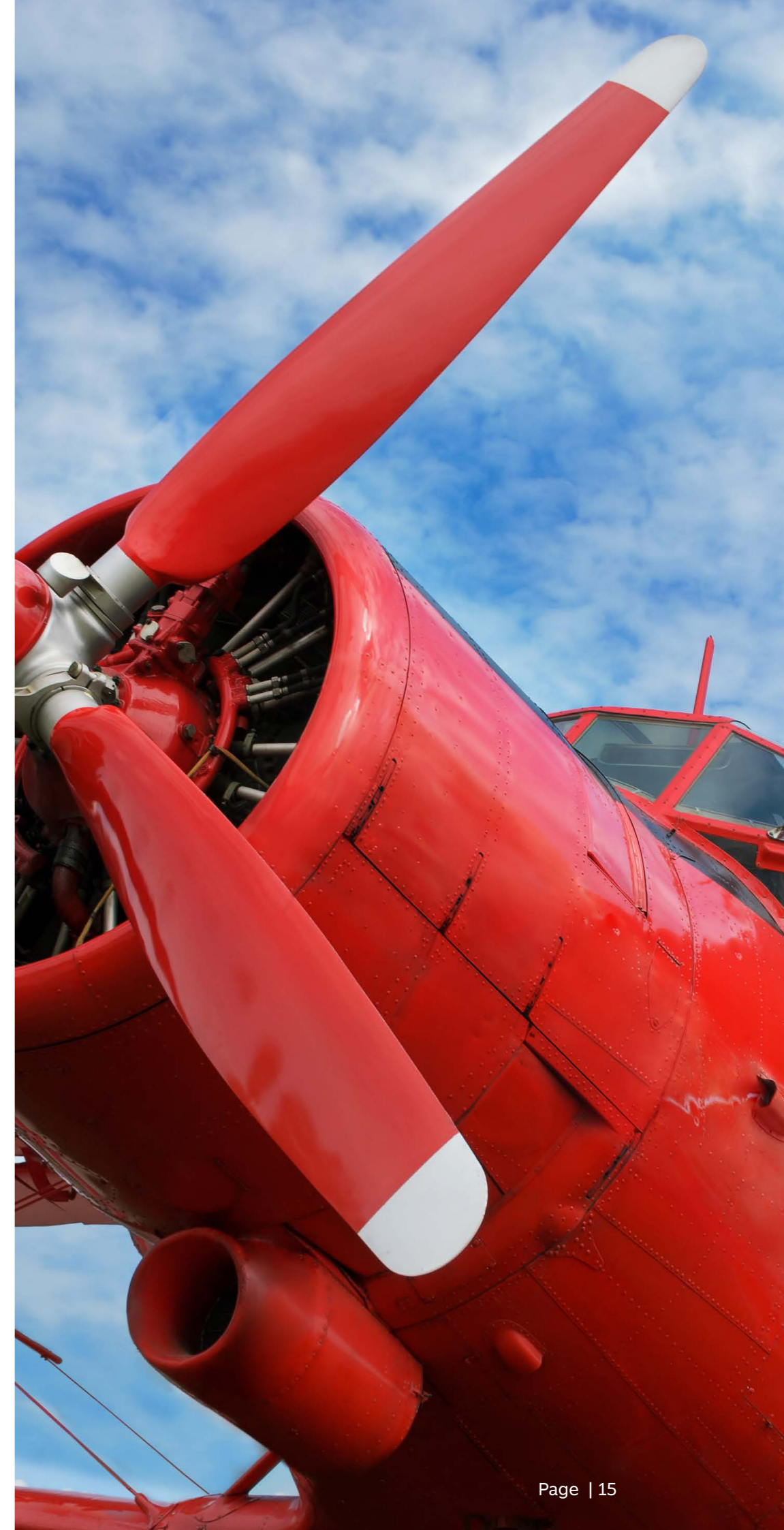
## Strategic asset allocation

Our approach to setting strategic asset allocations does not rely solely on historical returns of different asset classes, as these are not necessarily a good guide to future returns. Instead we place much greater emphasis on the historical volatility of asset classes and covariance with other asset classes. This enables us to define a robust strategic asset allocation of truly diverse asset classes, optimally combined to achieve the desired returns with as little risk as possible, whilst also minimising the probability of shortfall versus objectives.

Asset class	EQ Global Cautious	EQ Global Managed	EQ Global Growth
<b>EQUITIES</b>			
Developed market equities	26%	50%	75%
Emerging market equities	4%	10%	15%
<b>FIXED INCOME</b>			
Global government bonds	48%	21%	0%
Credit	14%	12%	5%
<b>REAL ASSETS (PROPERTY/INFRASTRUCTURE)</b>			
Real assets	2%	4%	5%
<b>COMMODITIES (GOLD)</b>			
Commodities	4%	2%	0%
<b>CASH</b>			
Cash	2%	1%	0%

## Portfolio changes

We did not make any changes to the portfolios during the quarter and we are not proposing any changes at this quarterly investment committee meeting.



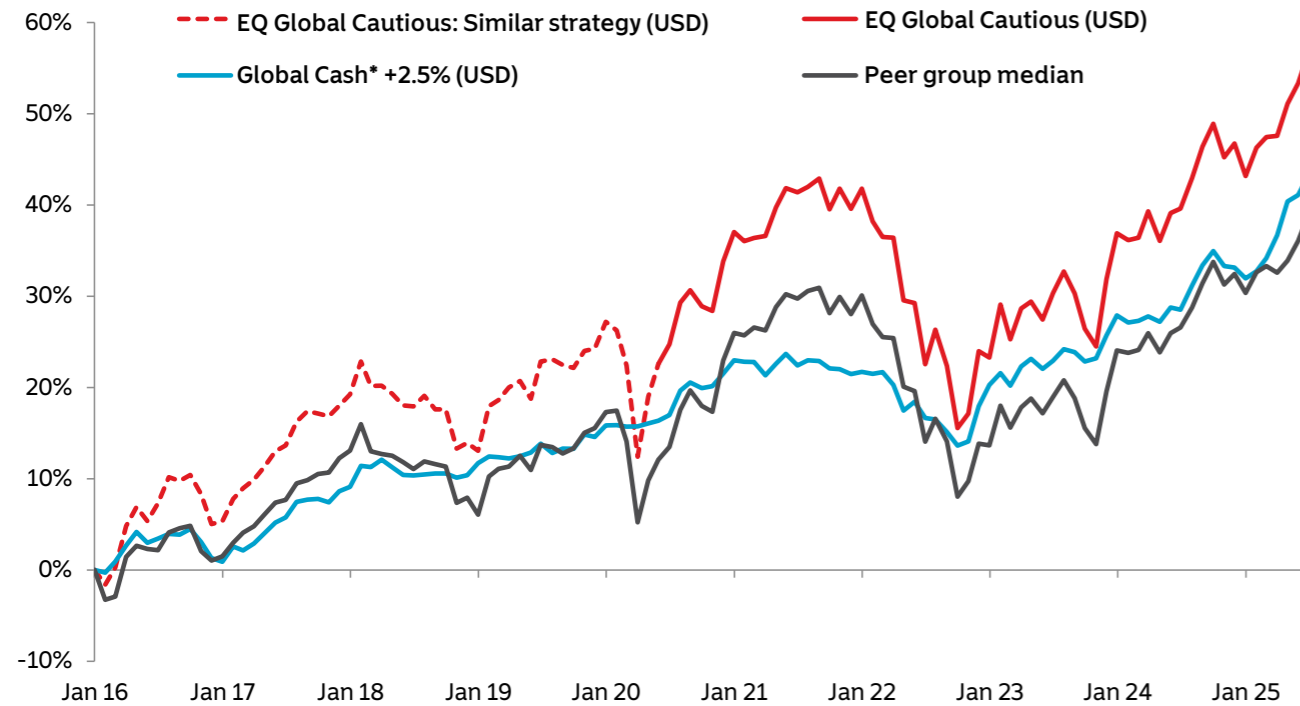
# Portfolio returns

## Equilibrium Global Cautious

USD Absolute Returns	3 months	6 months	12 months	3yr annualised	5yr annualised
Equilibrium Global Cautious	6.3%	9.6%	12.4%	8.6%	4.7%
Global Cash +2.5%	4.9%	8.7%	11.6%	7.1%	4.2%
30:70 Equities:Bonds*	6.4%	8.2%	11.0%	6.8%	2.9%
Peer Group Median	4.3%	6.9%	9.4%	6.4%	3.2%

Source: Momentum Global Investment Management, Morningstar. Data to 30 June 2025.  
\*Equities MSCI AC World : Bonds ICE BofA Global Broad Market.

## Cumulative Returns



Performance figures prior to the inception date of the portfolio (shown in blue) correspond to a similar strategy managed by the same investment team since 1 January 2019. This strategy has the same investment objective and investment restrictions as the portfolio. The portfolio's live track record began on 1 June 2020 and is shown in the red portion of the line above.

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

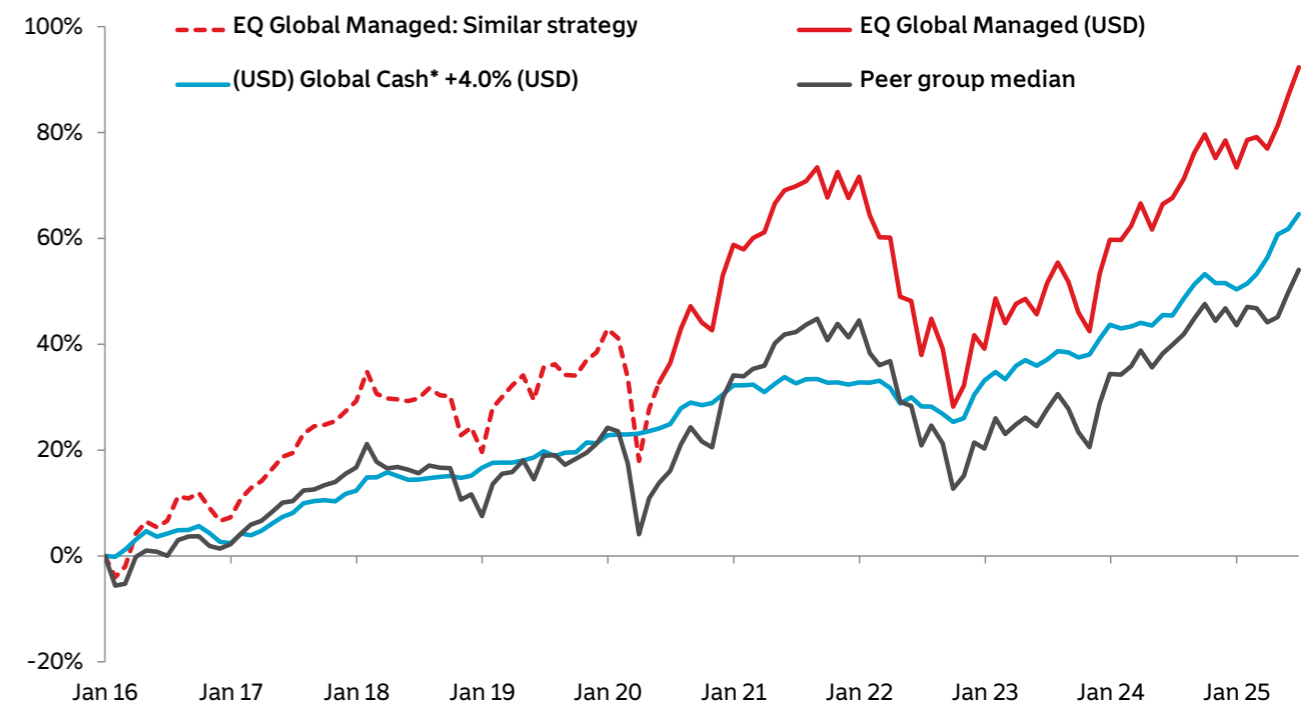
\*\*Peer group: Morningstar Global Cautious Allocation. Filtered for: i) oldest share class; ii) registered for sale in South Africa; iii) not domiciled in South Africa; iv) Global investment area.

## Equilibrium Global Managed

USD Absolute Returns	3 months	6 months	12 months	3yr annualised	5yr annualised
Equilibrium Global Managed	8.7%	10.9%	14.7%	11.7%	7.1%
Global Cash +4.0%	5.3%	9.5%	13.2%	8.7%	5.7%
60:40 Equities:Bonds*	8.6%	9.1%	13.3%	11.3%	7.4%
Peer Group Median	6.9%	7.8%	10.5%	9.0%	5.9%

Source: Momentum Global Investment Management, Morningstar. Data to 30 June 2025.  
\*Equities MSCI AC World : Bonds ICE BofA Global Broad Market.

## Cumulative Returns



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\*\*Peer group: Morningstar Global Moderate Allocation. Filtered for: i) oldest share class; ii) registered for sale in South Africa; iii) not domiciled in South Africa; iv) Global investment area.

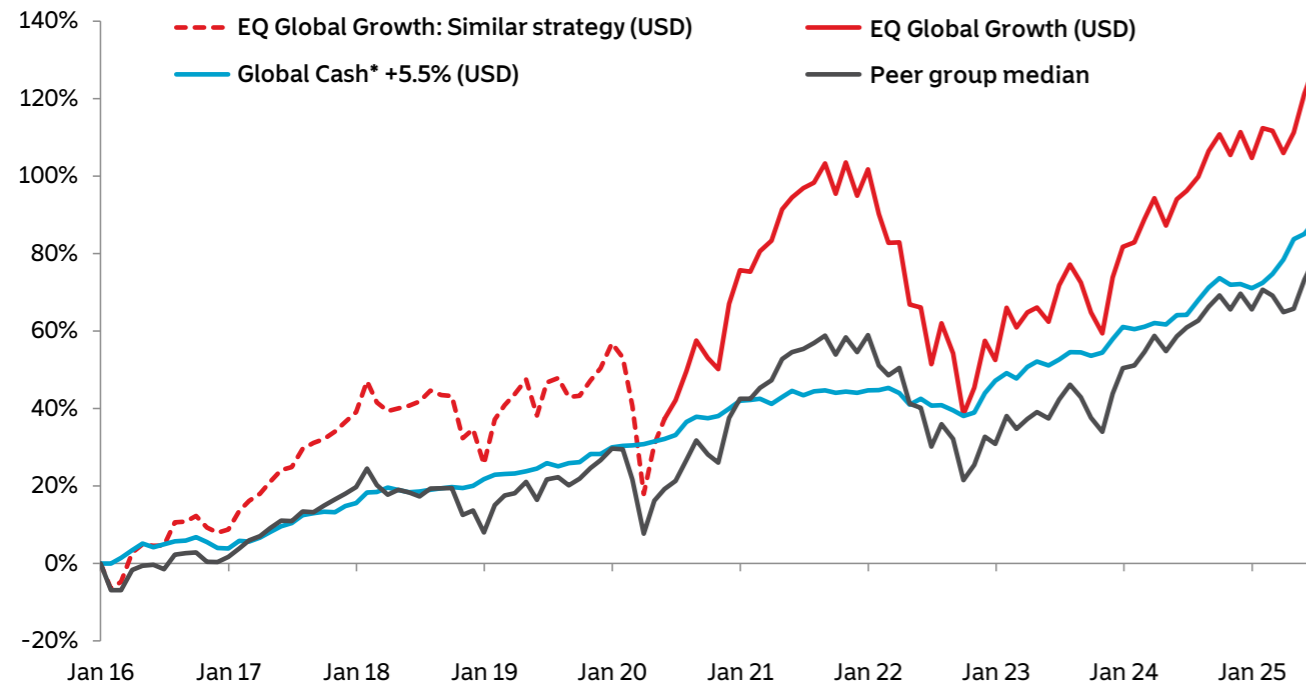
# Portfolio commentary

## Equilibrium Global Growth

USD Absolute Returns	3 months	6 months	12 months	3yr annualised	5yr annualised
Equilibrium Global Growth	11.2%	11.9%	16.7%	14.8%	10.0%
Global Cash +5.5%	5.7%	10.2%	14.8%	10.2%	7.2%
90:10 Equities:Bonds*	10.8%	9.8%	15.4%	15.8%	12.1%
Peer Group Median	8.1%	7.1%	10.6%	11.1%	8.1%

Source: Momentum Global Investment Management, Morningstar. Data 30 June 2025.  
\*Equities MSCI AC World : Bonds ICE BofA Global Broad Market.

## Cumulative Returns



Performance figures prior to the inception date of the portfolio (shown in blue) correspond to a similar strategy managed by the same investment team since 1 January 2019. This strategy has the same investment objective and investment restrictions as the portfolio. The portfolio's live track record began on 1 June 2020 and is shown in the red portion of the line above.

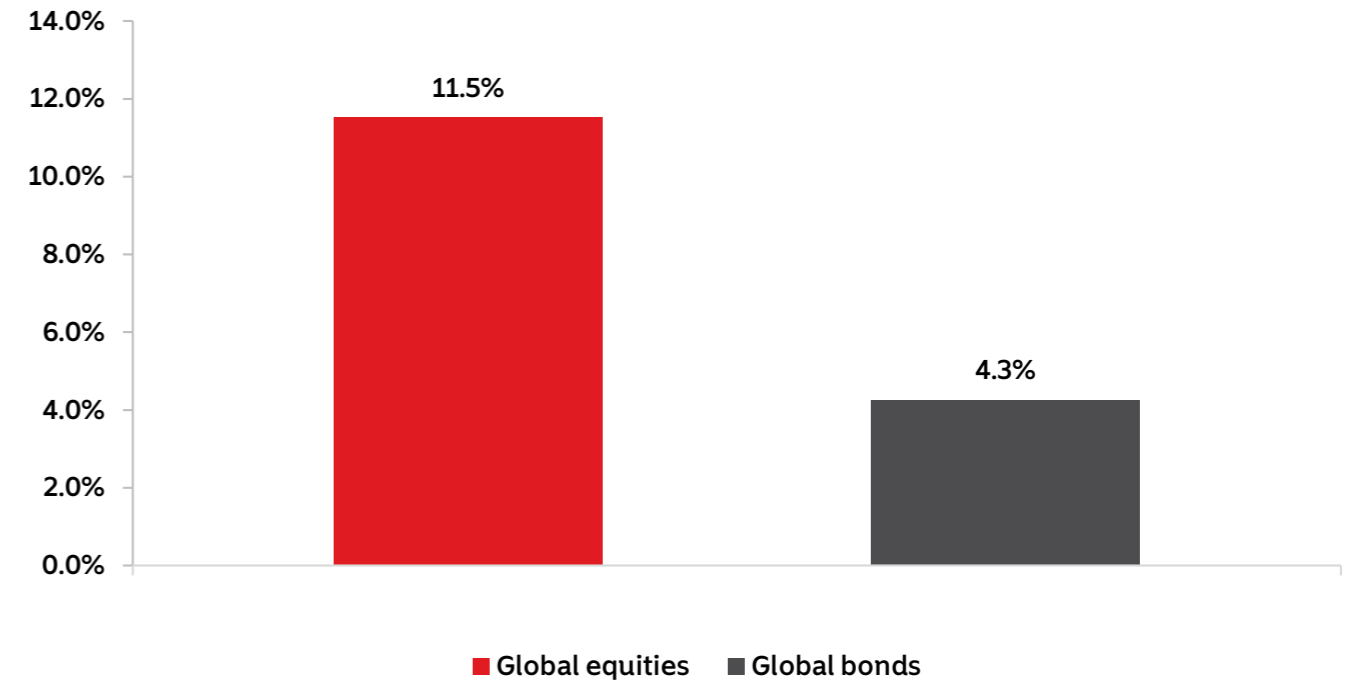
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\*\*Peer group: Morningstar Aggressive Allocation. Filtered for: i) oldest share class; ii) registered for sale in South Africa; iii) not domiciled in South Africa; iv) Global investment area.

## Equilibrium Global Managed

### Q2 performance

The portfolio's performance was positive during the second quarter. Medium risk global multi asset portfolios typically invest in global equities and global bonds, with a bias to equities. Global equities and global bonds both rose over the period - bonds up +4.3% and equities up +11.5% - and the portfolio participated in these moves.

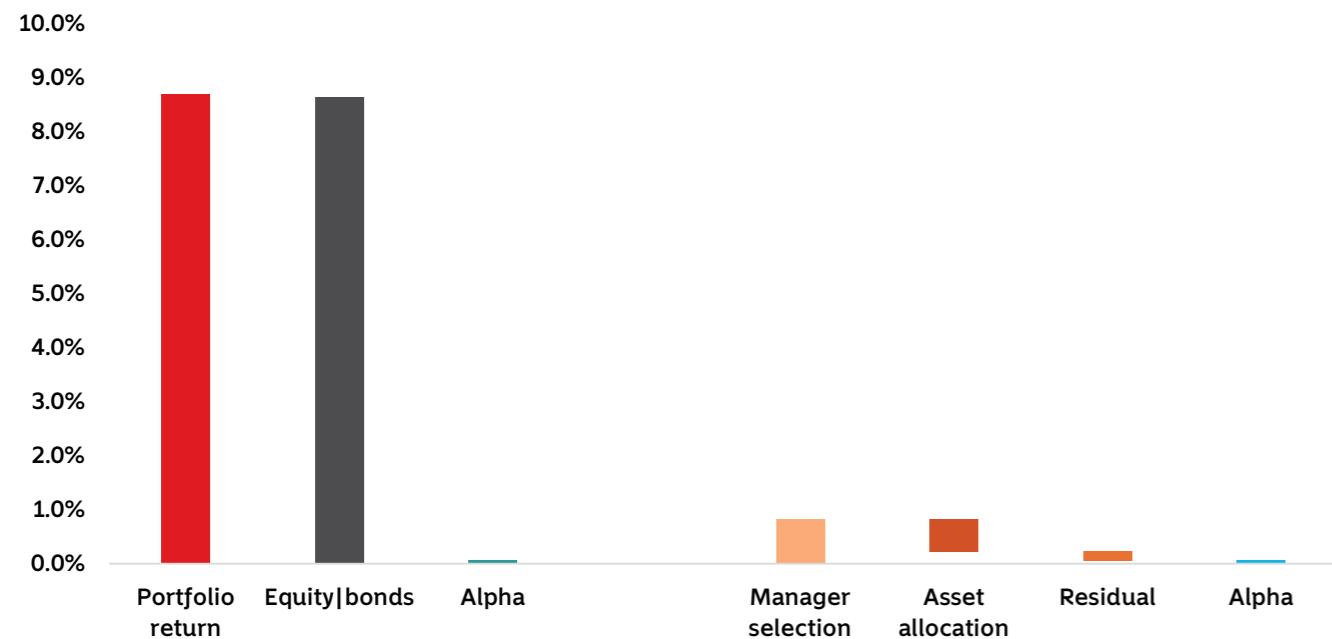


Source: Morning star, Momentum Global Investment Management as at 30 June 2025.

Returns in dollar terms were helped by continued dollar depreciation. This isn't about the 'end of the dollar', we don't think, but rather acknowledging that the dollar has become outsized at around 70% of a typical global portfolio, which is a lot of risk to be taking in a single country with a single set of policymakers. Dollar weakness this year looks to us like simple prudent diversification: investors seeking to avoid putting all their eggs in one basket.

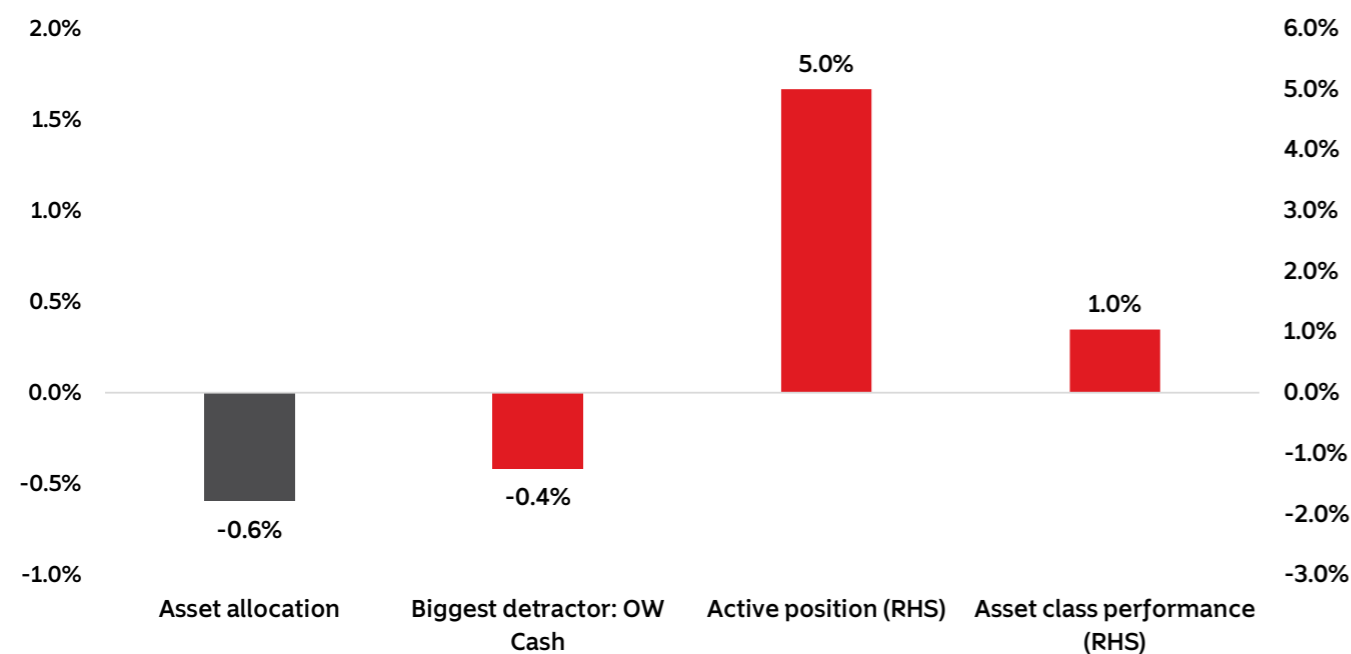
Year to date equities are now up +10.0%. That is a good return for any six month period, but particularly impressive given that equities came into this year on the back of two circa 20% years in 2023 and 2024. Markets have also had to navigate numerous challenges, including tariff wars, threats to remove Fed Chair Powell and the bombing of Iran.

A typical medium risk global multi asset portfolio invests 60% in global equities and 40% in global bonds and would have returned of the order of 8.6% during the quarter. Our investment decisions in the portfolio added to returns over the period such that the portfolio returned slightly more than a typical medium risk global multi asset portfolio.



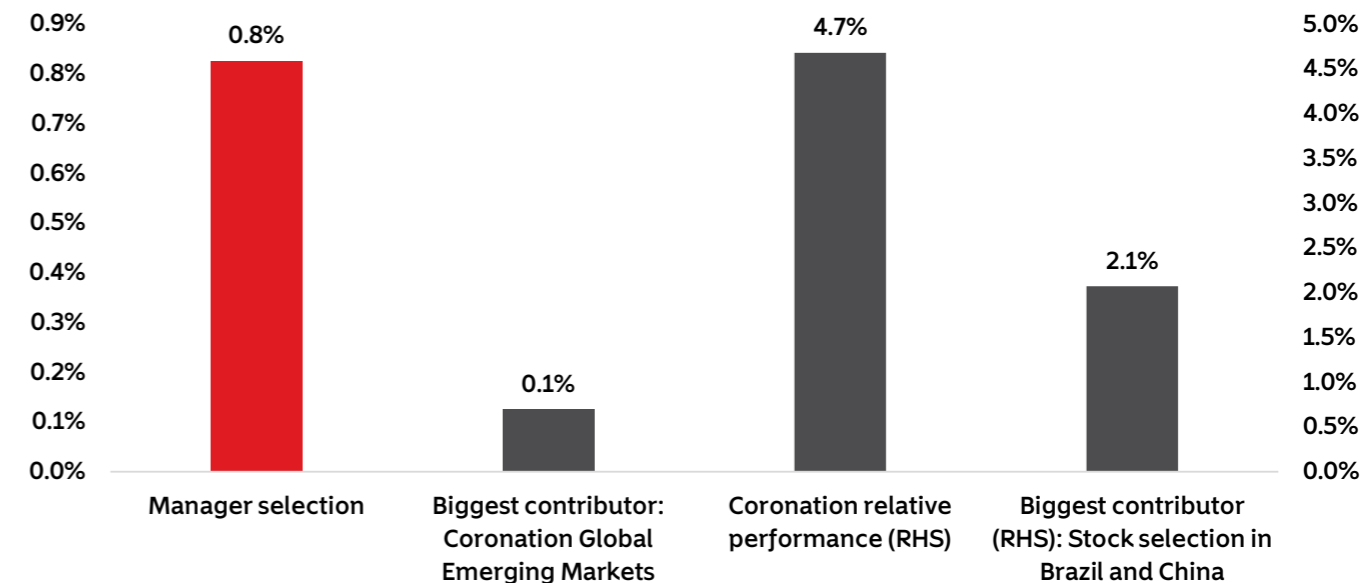
Source: Morning star, FactSet, Momentum Global Investment Management as at 30 June 2025.

Asset allocation was negative overall: our overweight allocation to gold mining shares via the Ninety One Global Gold Fund was positive, after gold shares rose by 14%, but this was offset by our overweight allocation to cash during a strong up period in markets, in spite of those aforementioned headwinds.



Source: Morning star, FactSet, Momentum Global Investment Management as at 30 June 2025.

Manager selection meanwhile was positive: Coronation, our emerging markets value manager, was the best performing manager, outperforming the market by 5% with a return of +17% in dollar terms, primarily due to stock selection in Brazil (Sendas) and China (Tencent).



Source: Morning star, FactSet, Momentum Global Investment Management as at 30 June 2025.

The average return of peers managing similar medium risk global multi asset funds was +6.9%, hence we outperformed the average peer. So far this year we have outperformed the average peer by over 3%. This again reinforces the view we've held that the majority of peers are more anchored to US assets and the dollar than we are, and our alternative world view has therefore paid-off so far this year.

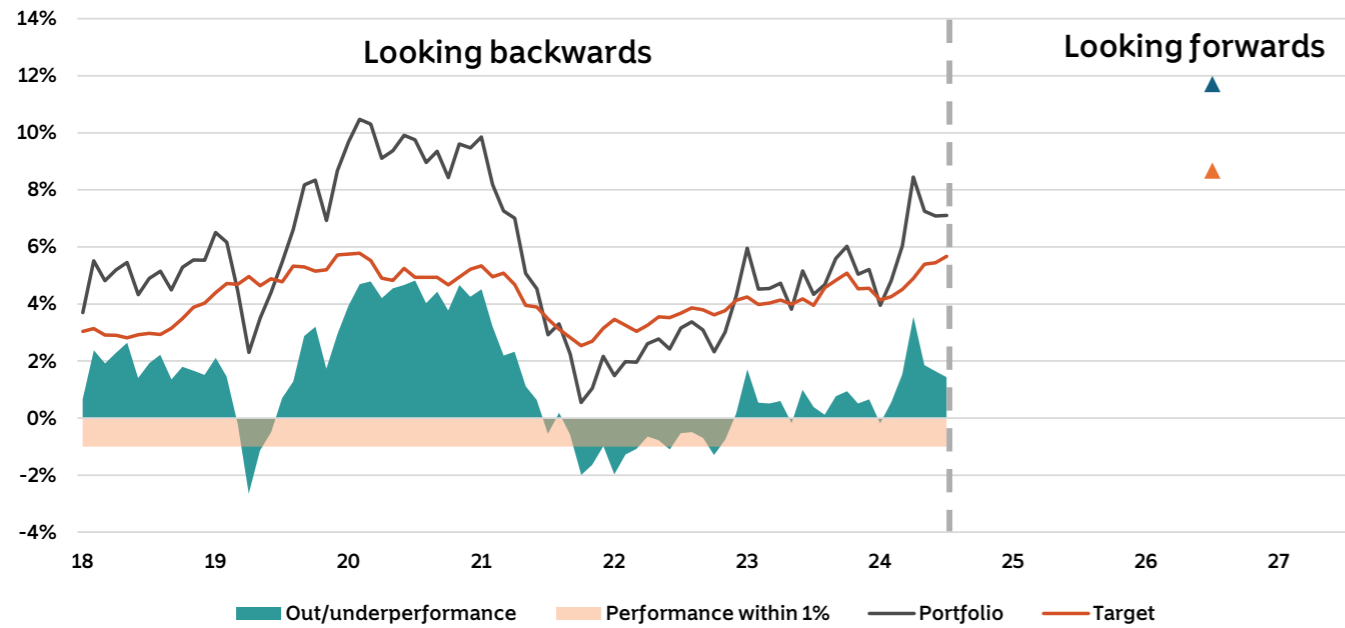
## Outlook

Where do markets go from here? Shorter term we think it's right to be cautious. Markets have enjoyed a strong run post their falls at the start of April and we may well see some profit taking ahead of Trump's 1 August deadline for trade talks. New barriers to trade aren't costless and someone is ultimately going to have to bear that cost, whether it's exporters to the US or else US importers. Hence we shouldn't be complacent. But at the same time, looking over the medium term, we also shouldn't lose sight of the fact that we're in a high return world, underpinned by US interest rates at around 4.3%. Interest rates could go up from here but it's hard to see them going materially higher, on the basis that US interest rates in the range of 4.3 to 5.3% have already succeeded in bringing inflation down from over 9% to 2.7% today. While tariffs are likely to push inflation higher, this is clearly a supply side issue as opposed to evidence of excess demand in the economy, hence it would seem illogical for the Fed to raise interest rates aggressively in response to a short summer rebound in inflation. It's very hard to predict the next quarter: it could well be negative. But we have much higher conviction that returns will be positive over the longer term.

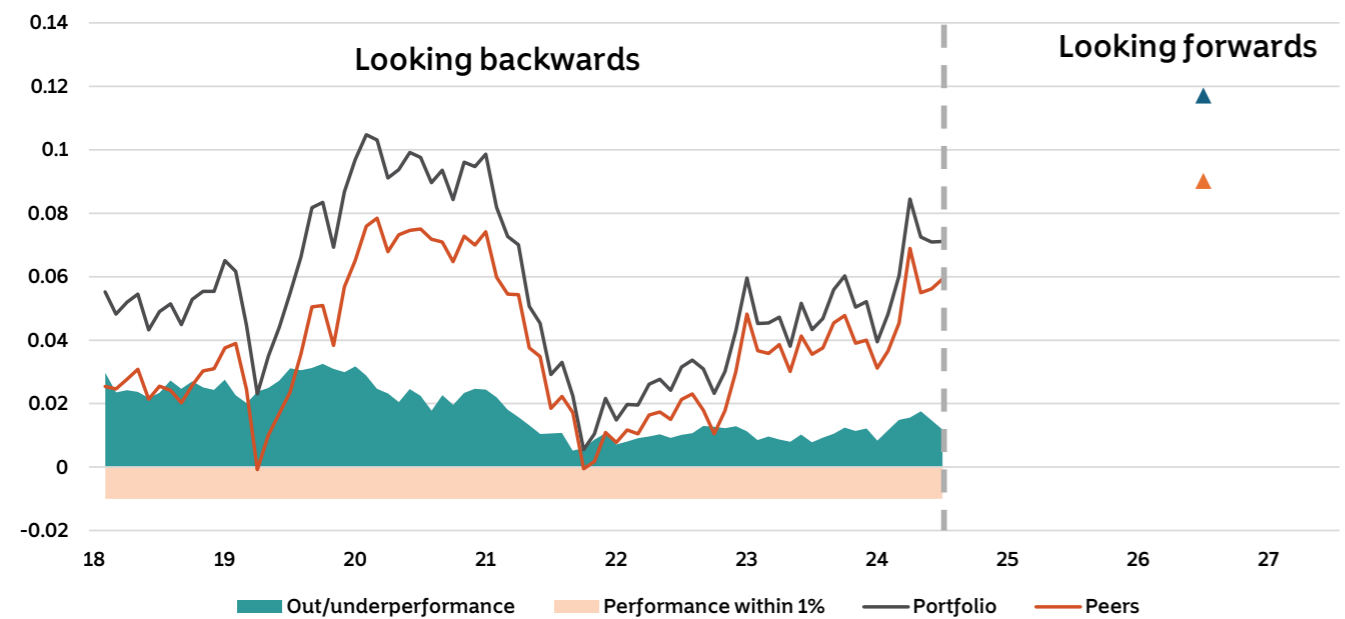
## Longer term performance<sup>1</sup>

Looking back at performance over the longer term, the portfolio has delivered or exceeded its target over its minimum recommended holding period of 5 years, on 72% of occasions. If we assume that performance within -1% of the target on an annualised basis is still a reasonable outcome, then the portfolio's success rate increases to 89%. Below are brief comments on the times the portfolio has underperformed its target more significantly:

1. Between March 2020 and April 2020, the portfolio underperformed its target on a rolling 5 year basis by an average of -2% per annum. This was due to the sharp falls in markets prompted by the onset of the Covid pandemic.
2. Between September 2022 and September 2023, the portfolio underperformed its target on a rolling 5 year basis by an average of -1% per annum. This was due to the sharp falls in markets in 2022 prompted by rapidly rising central bank interest rates, which were hiked in order to combat a global inflation shock emanating from the war in Ukraine and loose fiscal policy, among other factors. Global equities and global bonds, which together make up a typical medium risk multi asset portfolio, both fell by more than 15% in 2022. If we had predicted the magnitude of the inflation shock, we would have raised cash in the portfolio more significantly.



Relative to peers, the portfolio has outperformed the average peer over its minimum recommended holding period of 5 years on 100% of occasions since inception - in other words, the portfolio has always outperformed the average peer to date.



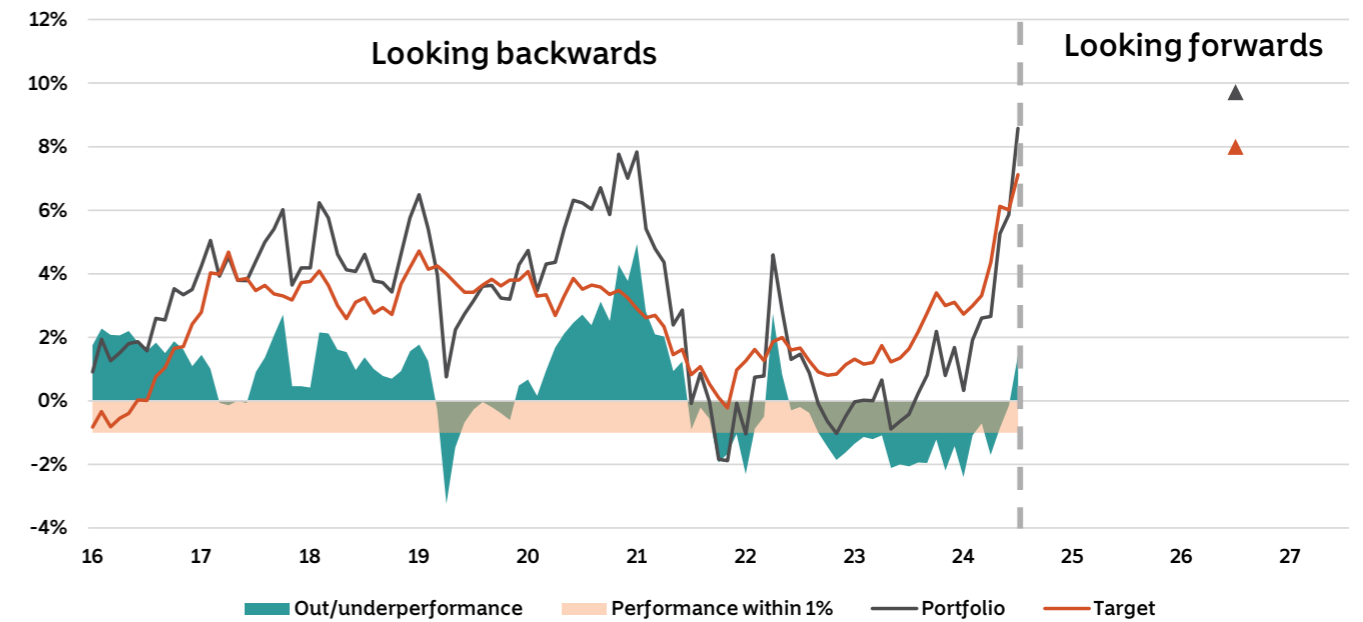
Looking forwards, over the past 3 years to the end of June 2025 - which is approximately two-thirds of the way through the portfolio's minimum recommended holding period of 5 years - the portfolio has returned +11.7% per annum compared to the target return of +8.7% per annum and is therefore on track to meet the target, although doing so cannot be guaranteed. The portfolio is also on track to outperform peers, who have returned +9.0% per annum on average over the past 3 years.

<sup>1</sup>Performance figures prior to the inception date of the portfolio (1 June 2020) correspond to a similar strategy managed by the same investment team since 1 January 2016. Performance figures prior to 1 January 2016 and beginning 1 January 2014, correspond to a back test.

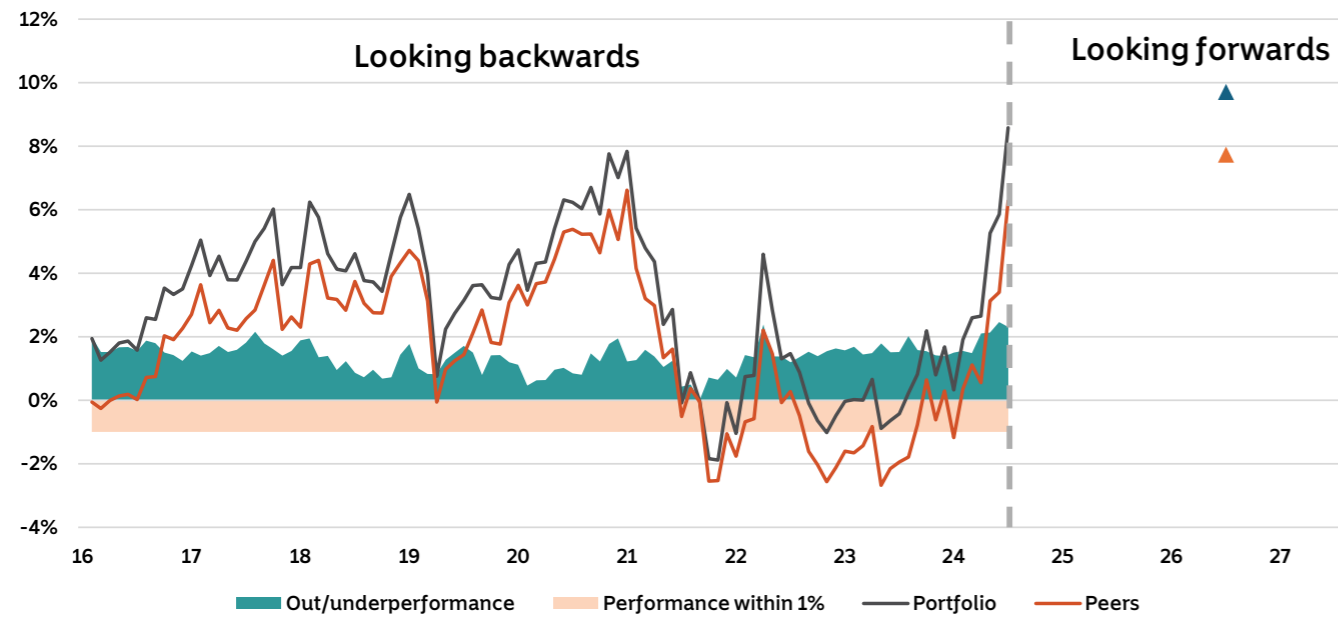
**Additional comments on Equilibrium Global Cautious and Equilibrium Global Growth** has very similar success rates versus its target and versus peers as Global 5: 89% versus its target and 100% versus peers.

**Equilibrium Global Cautious** has 100% success rate versus peers, but a lower 54% versus its target. If we assume that performance within -1% per annum of the target on an annualised basis is still a reasonable outcome, then the portfolio's success rate increases to 76%. Below are brief comments on the times the portfolio has underperformed its target more significantly:

1. Between March 2020 and April 2020, the portfolio underperformed its target on a rolling 3 year basis by an average of -2% per annum. This was due to the sharp falls in markets prompted by the onset of the Covid pandemic.
2. Between September 2022 and March 2025, the portfolio underperformed its target on a rolling 3 year basis by an average of -1% per annum. This is by some way the most significant period of underperformance the portfolio has experienced since inception. During this period, global bonds returned -1.6% per annum, compared to our cash target which returned +3.5% per annum. Given that global bonds represent the largest part of a typical low risk multi asset portfolio, it was difficult to generate positive returns in this environment.



Relative to peers, the portfolio has outperformed the average peer over its minimum recommended holding period of 3 years on 100% of occasions since inception - in other words, the portfolio has always outperformed the average peer to date.



Source: Morning star, FactSet, Momentum Global Investment Management as at 30 June 2025.

Looking forwards, over the past 2 years to the end of June 2025 - which is two-thirds of the way through the portfolio's minimum recommended holding period of 3 years - the portfolio has returned +9.7% per annum compared to the target return of +8.0% and is therefore on track to outperform the target, although doing so cannot be guaranteed. The portfolio is also on track to outperform peers, who have returned the lower +7.7% per annum on average over the past 2 years.



# Fund manager returns

## Returns of funds held within the Equilibrium Global models: 30 June 2025.

Asset Class	3 Months	6 Months	1 Year	3 Years	5 Years
<b>Developed Market Equity</b>					
Momentum GF Global Equity X USD	12.1%	11.8%	18.2%	17.3%	-
MSCI World	11.5%	9.5%	16.3%	18.3%	14.6%
<b>Emerging Market Equity</b>					
Coronation Global Emerging Markets P USD Acc	16.7%	20.2%	18.5%	14.2%	2.7%
Fidelity Emerging Markets Y Acc USD	14.3%	15.1%	10.3%	7.4%	4.5%
Sands Capital Emerging Markets A USD Acc	12.6%	15.6%	13.1%	8.4%	2.5%
MSCI Emerging Markets	12.0%	15.3%	15.3%	9.7%	6.8%
<b>Aggregate Bond</b>					
Dodge & Cox Global Bond USD Acc	3.9%	7.8%	9.1%	7.9%	3.8%
STANLIB Global Bond Fund B2	4.2%	6.7%	7.9%	2.9%	0.7%
FTSE WorldBIG unhedged in USD	4.5%	7.4%	8.9%	2.9%	-1.4%
<b>Government Bond</b>					
BlackRock Global Government Bond Index F2 USD*	4.3%	6.9%*	7.9%	1.5%	-2.7%
<b>Strategic Bond</b>					
Coronation Global Strategic Income	1.4%	2.9%	6.0%	5.5%	3.5%
<b>Precious Metal</b>					
Ninety One Global Strategy Global Gold A Inc	15.3%	55.6%	61.3%	25.6%	7.1%
Gold Spot \$/Oz	5.7%	25.9%	42.0%	22.3%	13.2%
<b>Property</b>					
Catalyst Global Real Estate (D share class) (B1)	2.0%	3.9%	8.5%	2.5%	4.2%
Benchmark (B1)	3.7%	5.5%	11.9%	4.4%	6.1%
<b>Money Market</b>					
Ninety One GSF US Dollar Money	1.0%	2.0%	4.5%	4.4%	2.6%

Source: Bloomberg Finance L.P., Momentum Global Investment Management. Data as at 30 June 2025. \*estimate.

## Returns of underlying managers held within the Momentum GF Global Equity Fund: 30 June 2025.

Fund	Weight	3 months	1 year	3 years (ann)	5 years (ann)
Momentum GF Global Equity Fund X USD	-	12.1%	18.2%	17.3%	14.4%
<b>Quality</b>					
Robeco Conservative	8.1%	12.7%	19.7%	12.9%	11.2%
Robeco Quality	11.9%	9.6%	16.3%	20.1%	16.0%
Evenlode	7.0%	10.2%	-	-	-
<b>Quality Value</b>					
Artisan	8.7%	18.4%	20.7%	19.9%	17.3%
Paradise	12.0%	9.9%	11.9%	9.0%	8.2%
Morant Wright	6.6%	15.6%	17.7%	18.7%	-
<b>Value</b>					
Contrarius	19.3%	10.7%	33.2%	14.5%	29.2%
Robeco Value	6.8%	9.7%	19.0%	15.1%	16.1%
Lyrical	13.8%	15.4%	-	-	-
<b>Growth</b>					
Jennison	17.2%	4.0%	5.8%	20.9%	10.8%
Rainier	23.0%	23.8%	21.7%	8.3%	5.6%
Granahan	27.0%	13.4%	46.1%	22.0%	10.0%
Robeco Momentum	18.3%	14.7%	21.3%	20.5%	14.9%

Source: Morningstar, Momentum Global Investment Management Limited, J.P. Morgan SE - Luxembourg

For the Momentum GF Global Equity Fund X USD, historical performance, figures prior to 12 June 2020, when Momentum IF Global Equity Fund (MIF GEF) merged into the UCITS structure to combine with Momentum GF Global Equity Fund (MGF GEF), and prior to the launch of MGF GEF X on 30.03.2022 comprises three components: i) between 28 February 2009 and 16 December 2019 performance figures are of MIF GEF A; ii) between 17 December 2019 and 11 June 2020 the performance figures are a composite of MIF GEF A and MGF GEF I on an asset-weighted basis; iii) between 12 June 2020 and 29 March 2022 the performance figures reflect MGF GEF I. Historical performance figures for MIF GEF A and MGF GEF I have been adjusted to incorporate the prevailing fees for MGF GEF X. Data as at 30 June 2025. Returns shown are net of fees in USD.

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

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The returns for the Consumer Price Index (CPI) are at the end of the previous month. The portfolios' asset allocations are based on the weighted average of the underlying funds in which the portfolios invest using the latest available data. The portfolios' asset allocations may differ from time to time due to market movements, changes to the portfolios and the underlying fund data and limitations. The underlying funds in the portfolios may contain exposure to assets that are invested globally, which may present additional risks. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions. Equilibrium does not provide a guarantee on the value of the 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 Momentum Group Limited or the Momentum Parties. Under no circumstances will Equilibrium, Momentum 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, Morningstar.

