

Destiny Portfolio Range

Destiny Money Market Portfolio

Factsheet at 31 March 2024

Investment horizon: One year

Investments managed by: Momentum Outcome-based Solutions (Pty) Ltd

Investment mandate

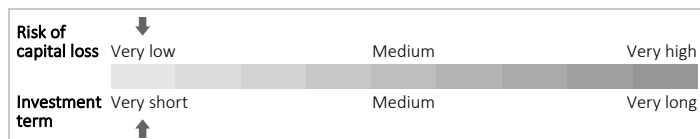
The portfolio has a maximum average duration of one year. The maximum instrument maturity of two years enables the portfolio to outperform short-term money-market rates, while limiting exposure to the longer end of the money-market curve.

Investment strategy

This investment portfolio provides preservation of capital while maintaining full liquidity. It is exclusively invested in South African money-market instruments and other cash or near-cash instruments. It will exhibit very low levels of volatility. However, the lower volatility is at the expense of the higher long-term investment returns in light of the absence of exposure to other long-term capital growth asset classes.

Portfolio information

Launch date:	July 2008
Benchmark:	Short-term Fixed Interest Composite Index
Reg. 28 compliant:	Yes



Portfolio managers



Mohammed Sibda
BCom



Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon



Portfolio 9.63%
Benchmark 8.39%

The annualised return over the investment horizon of the portfolio.

Short-term risk

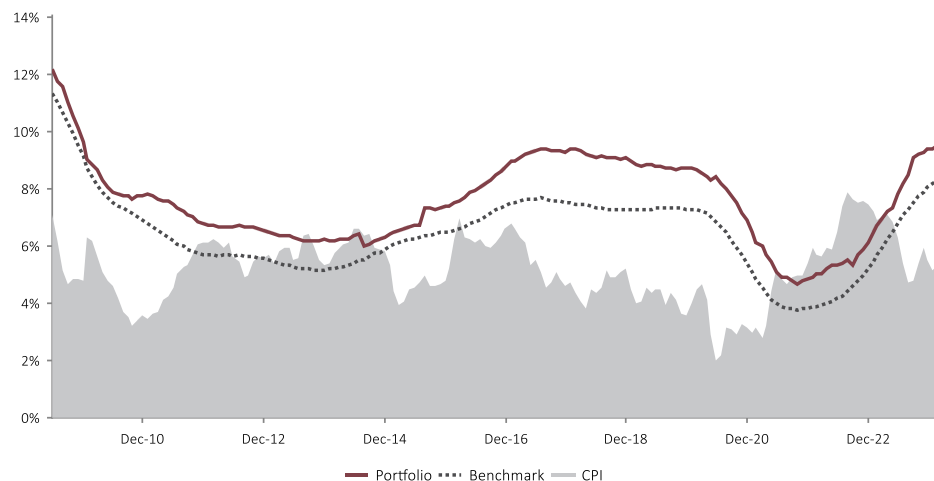
Risk of negative one-year return



Portfolio 0.00%
Benchmark 0.00%

The likelihood of negative returns over any one-year rolling period.

Rolling returns over investment horizon



Returns over rolling periods of the investment horizon since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	0.80%	2.33%	9.63%	8.30%	7.21%	6.90%	7.23%	7.49%	7.75%	7.78%
Benchmark	0.70%	2.06%	8.39%	7.17%	6.08%	5.70%	6.00%	6.21%	6.39%	6.66%
Risk-adjusted ratio ¹					11.44	11.42	12.50	13.43	14.05	14.19
Tracking error ²					0.28	0.29	0.27	0.26	0.25	0.25

¹A ratio of the actual return achieved per unit of risk taken.

²Tracking error/difference (variability of alpha).

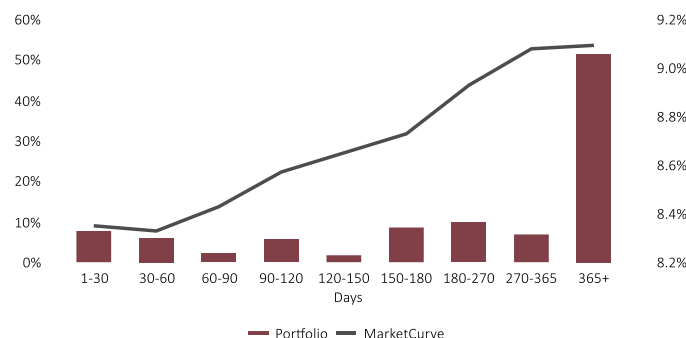


Investment manager returns

	One year	Three years	Seven years
Local cash			
ALUWANI	9.71%	7.40%	7.84%
Momentum Enhanced Yield Fund	9.77%	7.31%	
Momentum Money Market	9.25%	6.92%	

Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Term to maturity allocation and MarketCurve



Quarterly portfolio commentary for Q1 2024

Incoming data and central bank rhetoric are being taken on board by financial markets as they adjust their views of the economic outlook and the trajectory for inflation. As such, markets have significantly pulled back the number of expected interest rate cuts for 2024. Given the effects of disrupted trade flows, supply chain shortages, increased uncertainty and higher risk premia arising from geopolitical tensions, a higher level of political instability in the global economy could result in higher inflation, lower growth, and significant welfare losses in the longer term.

A record number of elections are taking place globally this year. In South Africa (SA), polls for the May general elections currently flag a significant risk for the incumbent ruling party. We expect pedestrian growth of 1% this year, up from 0.7% last year, to be supported by fixed investment in energy and a marginal recovery in household spending. Upside risks to the inflation outlook continue to stem from a weaker exchange rate, administered prices and geopolitically driven higher global food and oil prices. Meanwhile, demand-pull and wage inflation are expected to remain contained, limiting second round or persistent inflationary pressures. We expect the first move to lower SA interest rates in the second half of the year. Aligned with the SA Reserve Bank's (SARB) Quarterly Projection Model, which now forecasts only 50 basis points worth of easing by the end of the year, risks are tilted to a shallower interest rate cutting cycle.

Monetary policy remained on hold during Q1 of the new year, as both the January and March meetings saw the monetary authorities vote unanimously to keep the repo rate unchanged. The repo rate has now remained at 8.25% (prime at 11.75%) since May 2023, as the authorities monitor and assess the impact of their current policy stance on growth and inflation. The traded money market reflected the benign policy environment, with rates virtually unchanged and volatility low over the quarter. The 3-month JIBAR moved 5bps lower to 8.35%, while the 12-month rate was unmoved at 9.12%. Based on these JIBAR levels the total return for the STeFI Composite Index was 2.06% for the quarter.

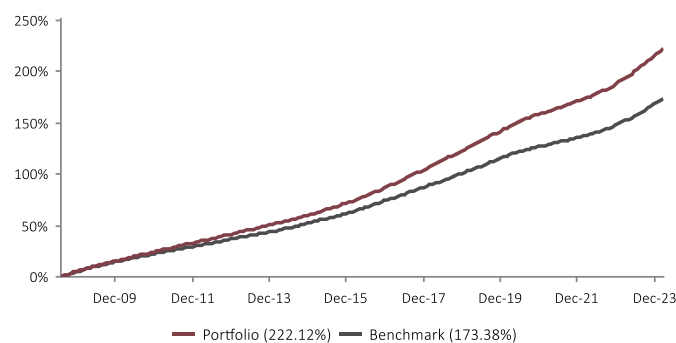
Q1 of the new year saw fixed income asset classes struggle after the hugely positive end to 2023. Total returns were under pressure as nominal and inflation-linked yields moved higher. Both nominal bonds, ILB's and the ZAR delivered negative returns, with the ALBI at -1.80%, the IGOV at -0.47% and the ZAR losing 3.2% against the USD. Cash (STeFI) delivered 2.06%, while the only asset class to deliver positive returns was listed property (3.85%).

Currently credit exposure consists mainly of exposure to the large banks and these spreads have remained stable over the quarter, but at fairly compressed levels relative to history. The non-bank credit market has seen a decline in activity and a continued grind lower in spreads on offer. With spreads tight and the macro backdrop challenging, there has not been too much opportunity for yield enhancement from credit. Both investment managers have thus rather increased interest rate risk by moving longer out on the money market curve as the better option for generating outperformance over the coming quarters.

For the quarter, the building block delivered a return of 2.33% compared to 2.06% for the STeFI benchmark.

For the year, the building block delivered a return of 9.6% against the STeFI benchmark of 8.4%. It consistently met its objective of capital preservation by maintaining positive returns on a one-year rolling basis. Both investment managers had a high exposure to floating-rate notes, which provided a fair degree of liquidity, while also providing above-benchmark yields.

Cumulative returns



The cumulative growth of the portfolio since launch compared to its Benchmark.

The 10-largest portfolio holdings

Holding	Percentage
Firstrand Bank Limited	4.35%
Toyota Financial Services (South Africa) (Pty) Ltd	3.36%
Standard Bank Of South Africa SSN120	3.26%
Absa Bank Limited MYFRN3440	2.76%
Standard Bank Of South Africa SBS70	2.02%
Telkom SA SOC Ltd	1.86%
Nedbank Limited	1.42%
Clindeb Investments Pty Ltd	1.36%
Capitec Bank Holdings Limited	1.33%
Discovery Limited	1.26%

The 10-largest instruments at 29 February 2024, looking through all asset classes held.



Notes

The information used to compile the Term to maturity allocation and MarketCurve graph is lagged one month.

Disclosures

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Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, but after the deduction of performance fees on global underlying investments (where applicable). All returns are daily time-weighted returns. The return for the global component of a portfolio is generated at month-end using the global component's last known price. The return for Consumer Price Index (CPI) is to the end of the previous month.

For investments in collective investments schemes (CIS), please refer to the minimum disclosure document (MDD), which is available from the respective CIS manager. The MDD contains important information relating to investment in the respective CIS.

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Sources: Momentum Investments, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

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