Monthly investment report

Destiny Conservative Portfolio

October 2021

Investment strategy

The investment strategy is to maximise the allocation of investment receipts towards retirement funding investments, and to objectively select and manage investment manager allocations on its members' behalf to maximise investment returns at an appropriate level of risk.

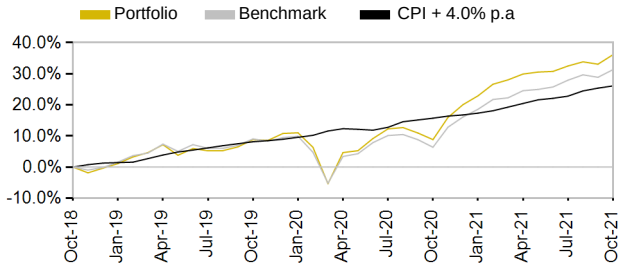
Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	35.00%	FTSE/JSE Shareholder Weighted Capped Index
Local bonds	17.00%	FTSE/JSE All Bond Index
Local cash	18.00%	Short-term Fixed Interest Composite Index
Local property	5.00%	FTSE/JSE SA Listed Property Index
Global	25.00%	Global composite benchmark

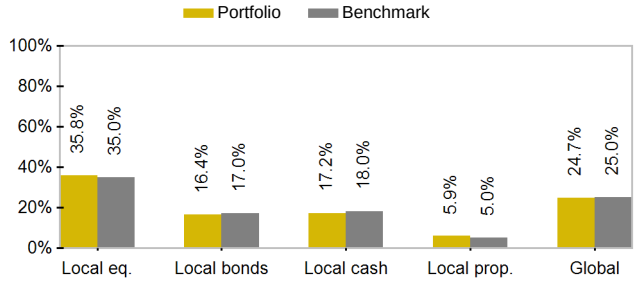
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	2.29%	2.73%	25.07%	10.82%	8.71%	13.00%
Benchmark	1.91%	2.65%	23.45%	9.50%	7.85%	11.94%
CPI + 4.0% p.a			8.97%	8.03%	8.42%	9.11%

Cumulative investment returns for three years



Asset allocation



Comments

*The fee was reduced from 1 October 2019. It is made up of the underlying investment managers' fees and Momentum Outcome-based Solutions administration fee. It excludes GIB's fee as well as performance-based fees, which are currently limited to those charged by Coronation, Laurium, Independent Securities, Fairtree and Allan Gray for its global portfolio.

The benchmark for the local equity component was changed from the FTSE/JSE Shareholder Weighted Index to the FTSE/JSE Shareholder Weighted Capped Index going back to 1 May 2013.

Investment portfolio mandate

This investment portfolio is aimed at long-term capital preservation, insulated from extreme volatility. The exposure to bonds and cash will increase in times of uncertainty. The portfolio is managed in compliance with Prudential Investment Guidelines as well as being comprehensively managed to comply with the limits of Annexure A to Regulation 28 of the Pension Funds Act.

Investment portfolio information and risk analysis

Inception Date	May 2003
Investment Horizon	Medium to long term
Risk Profile	Conservative / Moderate / Aggressive
Fee (including VAT)*	0.37%

(Calculation based on three-year period)	Portfolio	Benchmark
Volatility	11.4%	10.1%
Maximum drawdown	-14.8%	-13.8%
Active risk	1.9%	
Information ratio	0.7	
Beta	1.1	

Largest 10 holdings

	% of portfolio
Prosus	3.8%
R2037 8.50% 310137	3.1%
British American Tobacco Plc	2.5%
SA Government Bond 2048 8.75%	2.1%
Anglo American Plc	2.0%
SA Government Bond 2032 8.25%	1.8%
SA Government Bond R2030	1.7%
SA Government Bond R2035	1.5%
Firstrand Ltd	1.4%
Naspers Ltd	1.4%
Total	**21.3%**

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers	**4.50%**	**40.90%**	
Fairtree	5.97%	33.11%	8.5%
Coronation	6.27%	49.45%	9.4%
Laurium	2.97%	39.29%	4.5%
Momentum Capped SWIX Equity	2.70%	39.96%	9.0%
Independent Securities	3.36%	42.86%	4.4%
FTSE/JSE Shareholder Weighted Capped Index	2.69%	39.78%	
Local property managers			
Momentum SA Listed Property Tracker	-1.49%	65.53%	5.9%
FTSE/JSE SA Listed Property Index	-1.39%	66.44%	
Local bond managers	**-0.32%**	**12.72%**	
ALUWANI	-0.30%	12.88%	8.2%
Prescient	-0.35%	12.57%	8.2%
FTSE/JSE All Bond Index	-0.48%	10.93%	
Local cash managers	**0.34%**	**4.70%**	
ALUWANI	0.41%	5.15%	1.3%
Momentum Enhanced Yield	0.32%	4.71%	10.0%
Liquidity			5.9%
Short-term Fixed Interest Composite Index	0.32%	3.78%	
Global equity managers	**3.26%**	**19.01%**	
Allan Gray Life	1.83%	19.76%	12.2%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	4.09%	12.41%	
Blackrock (developed markets)	6.13%	29.16%	6.7%
MSCI Developed Markets (BGI Lagged)	5.99%	29.44%	
Blackrock (emerging markets)	3.10%	7.63%	5.7%
MSCI Emerging Markets Index	3.10%	8.35%	
Total			**100%**

The policy is underwritten by Momentum Metropolitan Life Limited, a registered life insurer under the Long-term Insurance Act, an authorised financial services (FSP6406) and registered credit provider (NCRCP173), and rated B-BBEE level 1. This investment portfolio is administered and managed by Momentum Outcome-based Solutions (Pty) Ltd, which is an authorised financial services provider (FSP19840) in terms of Section 8 of the Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS Act), as may be amended and/or replaced from time to time. Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, except where a portfolio includes underlying investments where fees are deducted from the return, but after the deduction of performance-based fees. 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. The investment manager returns shown in the table are based on the history of Momentum Outcome-based Solutions (Pty) Ltd's investment in that particular investment manager's portfolio, and not necessarily when the investment manager was included in this portfolio. Given that past returns may not be indicative of future returns and the value of investments will fluctuate over time, independent professional advice should always be sought before making an investment decision. Although reasonable steps have been taken to ensure the validity and accuracy of the information in this document, the company does not accept any responsibility for any claim, damages, loss or expense, howsoever arising, out of or in connection with the information in this document, whether by a client, investor or intermediary. 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.

Sources: Momentum Investments, Morningstar, Iress, www.msci.com, www.yieldbook.com, www.ft.com. Data accessed monthly on the 10th working day.

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