

Destiny Defensive Portfolio

December 2023

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 so as to maximise investment returns at an appropriate level of risk.

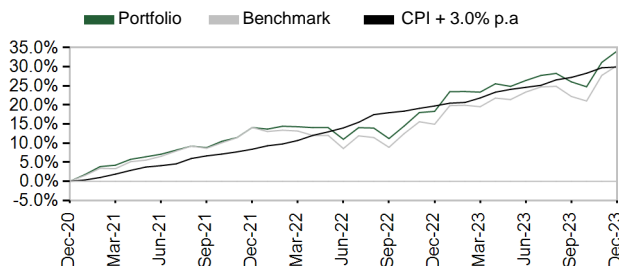
Benchmark allocation

| Asset Class | Allocation | Benchmark |
|----------------|------------|--|
| Local equities | 19.00% | FTSE/JSE Shareholder Weighted Capped Index |
| Local property | 5.00% | FTSE/JSE All Property Index |
| Local bonds | 22.00% | FTSE/JSE All Bond Index |
| Local cash | 30.00% | Short-term Fixed Interest Composite Index |
| Global | 24.00% | Global composite benchmark |

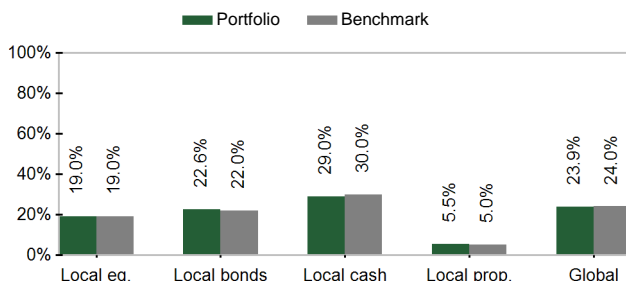
Investment returns

| | One Month | Three Months | One Year | Three Years | Five Years | Since Inception |
|----------------|-----------|--------------|----------|-------------|------------|-----------------|
| Portfolio | 2.25% | 6.38% | 13.33% | 10.26% | 9.71% | 9.68% |
| Benchmark | 2.00% | 6.59% | 13.33% | 9.21% | 8.60% | 8.97% |
| CPI + 3.0% p.a | | | 8.53% | 9.12% | 8.01% | 8.16% |

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 achieving capital preservation protected from extreme volatility. The portfolio's exposure to bonds and cash will increase in times of uncertainty. The portfolio is managed in compliance with Prudential Investment Guidelines and the limits of Annexure A to Regulation 28 of the Pension Funds Act.

Investment portfolio information and risk analysis

| | | |
|--|--|-----------|
| Inception Date | July 2009 | |
| Investment Horizon | Short to medium term | |
| Risk Profile | <div> <div>Conservative</div> <div>Moderate</div> <div>Aggressive</div> </div> | |
| Fee (including VAT)* (Calculation based on three-year period) | Portfolio | Benchmark |
| Volatility | 5.7% | 6.2% |
| Maximum drawdown | -3.0% | -4.8% |
| Active risk | 1.1% | |
| Information ratio | 0.9 | |
| Beta | 0.9 | |

Largest 10 holdings

| | % of portfolio |
|----------------------------|----------------|
| SA Government Bond R2032 | 5.8% |
| SA Government Bond R2037 | 4.3% |
| SA Government Bond R2035 | 4.1% |
| SA Government Bond R2030 | 1.9% |
| Naspers Ltd | 1.3% |
| SA Government Bond R2040 | 1.2% |
| Firststrand Ltd | 1.0% |
| Growthpoint Properties Ltd | 1.0% |
| SA Government Bond R2044 | 1.0% |
| Nepi Rockcastle N.V | 0.9% |
| Total | 22.5% |

Investment manager allocation and returns

| | One Month | One Year | Weighting |
|--|--------------|---------------|-------------|
| Local equity managers | 1.62% | 6.38% | |
| Fairtree | -0.25% | 4.08% | 4.8% |
| Coronation | 2.56% | 8.36% | 4.8% |
| Laurium | -0.11% | 2.50% | 2.3% |
| Independent Securities | 2.84% | 7.53% | 2.3% |
| Momentum Capped SWIX Equity | 2.86% | 8.23% | 4.8% |
| FTSE/JSE Shareholder Weighted Capped Index | 2.90% | 7.87% | |
| Local property managers | 9.90% | 10.23% | |
| Momentum ALPI Tracker Fund | 9.90% | 10.23% | 5.5% |
| FTSE/JSE All Property Index | 9.92% | 10.70% | |
| Local bond managers | 1.68% | 10.59% | |
| ALUWANI | 1.49% | 10.42% | 11.2% |
| Prescient | 1.88% | 10.75% | 11.4% |
| FTSE/JSE All Bond Index | 1.49% | 9.70% | |
| Local cash managers | 0.80% | 9.39% | |
| ALUWANI | 0.80% | 9.47% | 1.3% |
| Momentum Enhanced Yield | 0.81% | 9.52% | 22.1% |
| Liquidity | | | 5.6% |
| Short-term Fixed Interest Composite Index | 0.70% | 8.06% | |
| Global equity managers | 3.44% | 26.42% | |
| Allan Gray Life | 5.72% | 26.17% | 11.2% |
| 60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged) | 1.66% | 25.50% | |
| Blackrock (developed markets) | 2.34% | 33.45% | 4.5% |
| MSCI Developed Markets (BGI Lagged) | 2.11% | 33.38% | |
| Blackrock (emerging markets) | 0.87% | 18.10% | 4.0% |
| MSCI Emerging Markets Index | 1.13% | 18.53% | |
| Fundsmith | 1.30% | 28.70% | 4.2% |
| MSCI World Index | 2.09% | 33.41% | |
| Total | | | 100% |

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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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