Monthly investment report

Destiny Defensive Portfolio

DESTINY RETIREMENT FUNDS

December 2020

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.

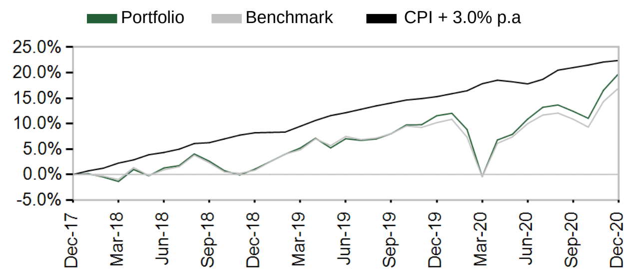
Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	22.50%	FTSE/JSE Shareholder Weighted Capped Index
Local bonds	22.50%	FTSE/JSE All Bond Index
Local cash	32.50%	Short-term Fixed Interest Composite Index
Local property	5.00%	FTSE/JSE SA Listed Property Index
Global	17.50%	Global composite benchmark

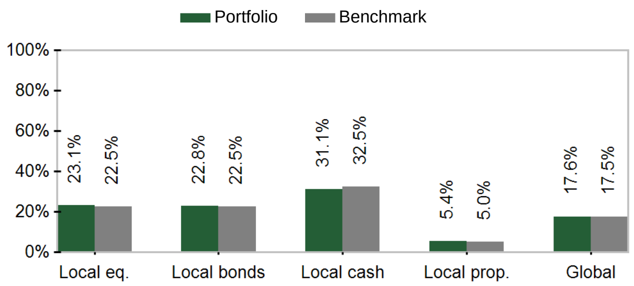
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	2.80%	6.56%	7.41%	6.21%	7.63%	9.53%
Benchmark	2.33%	5.51%	6.17%	5.36%	6.63%	8.90%
CPI + 3.0% p.a			6.18%	6.97%	7.62%	7.91%

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 portfolio management 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	Conservative / Moderate / Aggressive	
Fee (including VAT)*		0.34%
(Calculation based on three-year period)	**Portfolio**	**Benchmark**
Volatility	8.6%	7.8%
Maximum drawdown	-11.1%	-10.2%
Active risk	1.3%	
Information ratio	0.6	
Beta	1.1	

Largest 10 holdings

	% of portfolio
R2037 8.50% 310137	3.5%
Naspers Ltd	2.8%
SA Government Bond 2048 8.75%	2.6%
SA Government Bond 2032 8.25%	2.5%
R2044 8.75% 31012044	2.5%
R2030 8.00% 310130	2.3%
British American Tobacco Plc	1.8%
R186 10.50% 211226	1.6%
SA Government Bond 2035 8.875%	1.5%
Anglo American Plc	1.5%
Total	**22.6%**

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers	**6.20%**	**6.77%**	
Fairtree	8.82%	22.00%	5.9%
Coronation	3.48%	7.22%	5.8%
Laurium	4.65%	0.72%	2.8%
Independent Securities	9.59%	-4.04%	3.0%
Momentum Capped SWIX Equity	5.45%	0.01%	5.6%
FTSE/JSE Shareholder Weighted Capped Index	5.47%	0.58%	
Local property managers	**13.61%**	**-35.12%**	
Momentum SA Listed Property Tracker	13.61%	-34.69%	5.4%
FTSE/JSE SA Listed Property Index	13.68%	-34.49%	
Local bond managers	**2.51%**	**7.58%**	
ALUWANI	2.52%	7.85%	11.4%
Prescient	2.50%	7.31%	11.4%
FTSE/JSE All Bond Index	2.44%	8.65%	
Local cash managers	**0.47%**	**6.91%**	
ALUWANI	0.33%	6.54%	4.4%
Momentum Enhanced Yield	0.52%	7.13%	21.8%
Liquidity			5.0%
Short-term Fixed Interest Composite Index	0.31%	5.39%	
Global equity managers	**-0.12%**	**17.39%**	
Allan Gray Life	0.50%	14.92%	8.8%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	-2.11%	19.96%	
Blackrock (developed markets)	-1.52%	20.36%	4.3%
MSCI Developed Markets (BGI Lagged)	-1.36%	21.28%	
Blackrock (emerging markets)	-0.05%	21.80%	4.5%
MSCI Emerging Markets Index	0.15%	23.08%	
Total			**100%**

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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