

Destiny Market Enhanced Portfolio

August 2020

Investment strategy

This investment portfolio is aimed at capital growth. The equity content is enhanced and will be significantly greater than the bond and cash components. The portfolio, however, would tend to be less volatile than the market as a whole. Periods of underperformance may occur in the short term and the portfolio is designed for enhanced long term investment goals.

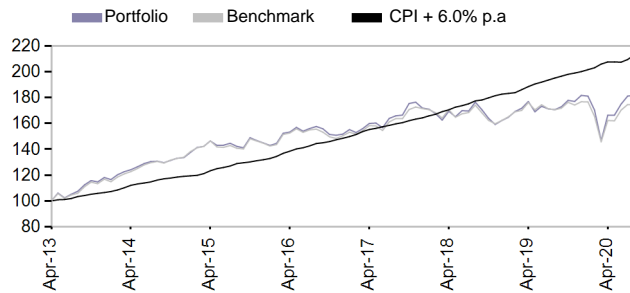
Benchmark allocation

| Asset Class | Allocation | Benchmark |
|----------------|------------|--|
| Local equities | 55.50% | FTSE/JSE Shareholder Weighted Capped Index |
| Local bonds | 7.50% | JSE ASSA All Bond Index |
| Local cash | 7.00% | Short-term Fixed Interest Composite Index |
| Local property | 5.00% | FTSE/JSE SA Listed Property Index |
| Global | 25.00% | Global composite benchmark |

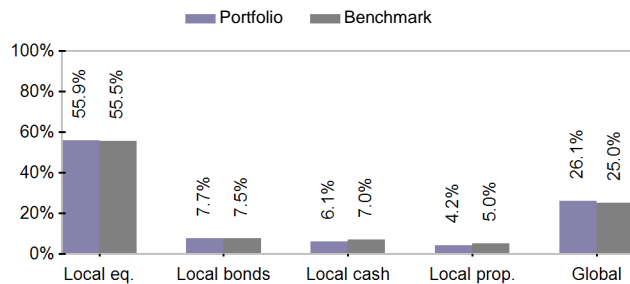
Investment returns

| | One Month | Three Months | One Year | Three Years | Five Years | Since Inception |
|----------------|-----------|--------------|----------|-------------|------------|-----------------|
| Portfolio | 0.33% | 9.25% | 6.51% | 3.09% | 5.02% | 8.49% |
| Benchmark | -0.13% | 7.66% | 2.26% | 2.12% | 4.38% | 7.88% |
| CPI + 6.0% p.a | | | 9.20% | 10.10% | 10.57% | 10.87% |

Cumulative investment returns since inception



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 income and capital growth. The equity content will be greater than the bond and cash components. The portfolio, however, would tend to be less volatile than the market as a whole. 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 2013 | |
| Investment Horizon | Long term | |
| Risk Profile | | |
| Fee (including VAT)* | | 0.42% |
| (Calculation based on period since inception) | Portfolio | Benchmark |
| Volatility | 11.2% | 10.2% |
| Maximum drawdown | -19.3% | -17.6% |
| Active risk | 2.2% | |
| Information ratio | 0.3 | |
| Beta | 1.1 | |

Largest 10 holdings

| | % of portfolio |
|------------------------------|----------------|
| Naspers Ltd | 7.6% |
| British American Tobacco Plc | 3.6% |
| Anglo American Plc | 2.7% |
| Impala Platinum Holdings Ltd | 2.7% |
| Prosus | 2.0% |
| FirstRand Ltd | 1.7% |
| Anglogold Ashanti Ltd | 1.5% |
| Netease.Com | 1.4% |
| Northam Platinum Ltd | 1.4% |
| Abbvie Inc | 1.3% |
| Total | 25.9% |

Investment manager allocation and returns

| | One Month | One Year | Weighting |
|--|---------------|----------------|-------------|
| Local equity managers | -0.08% | 4.18% | |
| Fairtree | 0.11% | 22.46% | 14.4% |
| Coronation | 2.03% | 7.93% | 14.2% |
| Laurium | -2.22% | -6.19% | 6.7% |
| Independent Securities | -0.91% | | 6.6% |
| Momentum Capped SWIX Equity | -0.94% | -3.82% | 14.0% |
| FTSE/JSE Shareholder Weighted Capped Index | -0.88% | -3.36% | |
| Local property managers | -8.64% | -44.81% | |
| Momentum SA Listed Property Tracker | -8.64% | -44.45% | 4.2% |
| FTSE/JSE SA Listed Property Index | -8.59% | -44.25% | |
| Local bond managers | 0.96% | 2.93% | |
| ALUWANI | 0.98% | 3.22% | 3.8% |
| Prescient | 0.94% | 2.64% | 3.8% |
| JSE ASSA All Bond Index | 0.89% | 4.16% | |
| Local cash managers | 0.46% | 7.99% | |
| ALUWANI | 0.45% | 7.71% | 1.0% |
| Momentum Enhanced Yield | 0.47% | 8.14% | 4.4% |
| Liquidity | | | 0.7% |
| Short-term Fixed Interest Composite Index | 0.39% | 6.46% | |
| Global equity managers | 2.65% | 22.85% | |
| Allan Gray Life | 1.18% | 18.31% | 13.2% |
| 60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged) | 2.98% | 25.62% | |
| Blackrock (developed markets) | 5.60% | 29.43% | 6.4% |
| MSCI Developed Markets (BGI Lagged) | 5.68% | 30.00% | |
| Blackrock (emerging markets) | 2.89% | 30.49% | 6.5% |
| MSCI Emerging Markets Index | 3.31% | 32.04% | |
| 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 investment 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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