Destiny Portfolio Range

Destiny Money Market Portfolio

Factsheet at 31 July 2025

Investment horizon: One year

Investments managed by: Momentum Multi-Manager (Pty) Ltd

Investment mandate

A portfolio invested in selected money-market instruments providing a high income yield and a high degree of capital stability. 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 strategy

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

Portfolio information

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

Risk of capital loss: Very low — Medium — Very high

Investment term: Very short — Medium — Very long

Portfolio managers

Mohammed Sibda
BCom

Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon

Portfolio	Benchmark
9.55%	7.98%

The annualised return over the investment horizon of the portfolio.

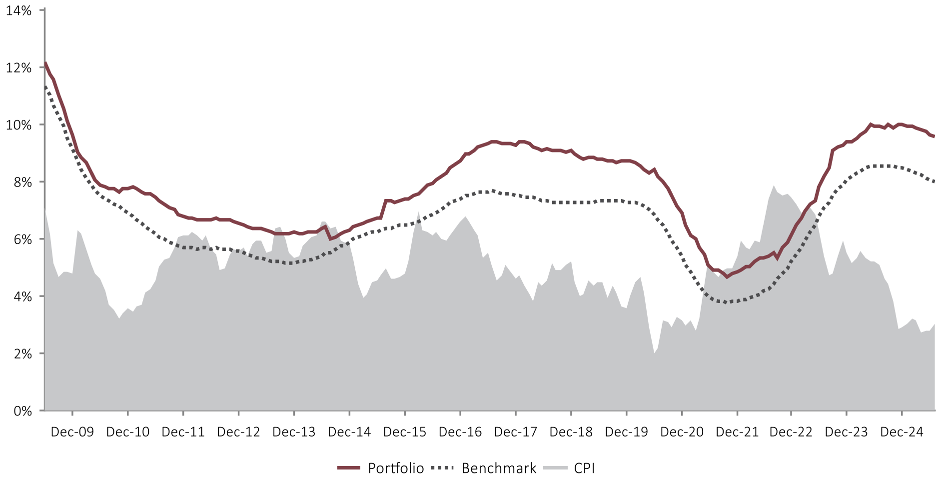
Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
0.00%	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	**0.74%**	**2.25%**	**9.55%**	**9.74%**	**9.22%**	**8.25%**	**7.58%**	**7.68%**	**7.83%**	**7.93%**
Benchmark	0.62%	1.86%	7.98%	8.27%	7.87%	6.96%	6.34%	6.39%	6.52%	6.77%
Risk-adjusted ratio[1]					21.30	14.10	11.87	12.86	13.83	14.53
Tracking error[2]					0.28	0.25	0.24	0.25	0.24	0.24

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

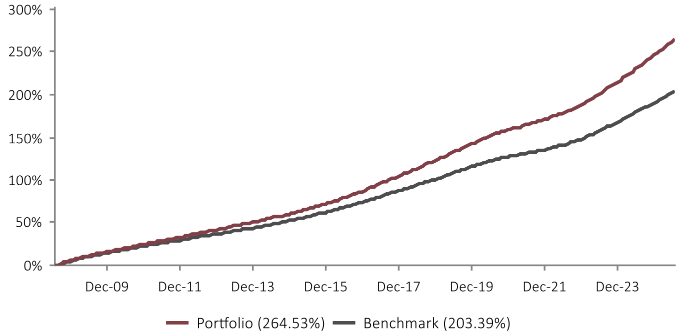
[2]Tracking error/difference (variability of alpha).

Investment manager returns

	One year	Three years	Seven years
Local cash			
ALUWANI	9.41%	9.30%	7.88%
Momentum Enhanced Yield Fund	9.64%	9.30%	
Momentum Money Market	9.14%	8.85%	

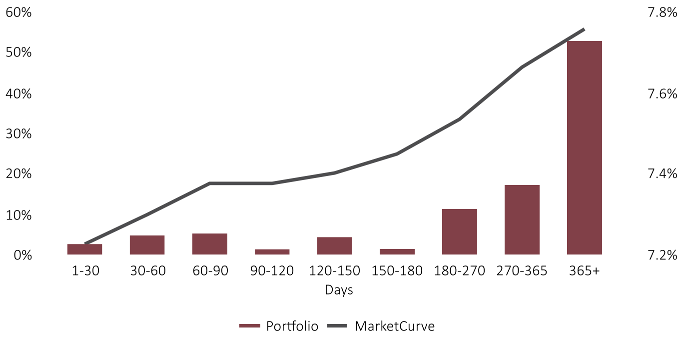
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



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

Term to maturity allocation and MarketCurve



The 10-largest portfolio holdings

Holding	
Toyota Financial Services (SA) Limited FRN	3.34%
The Standard Bank of SA Limited - SSN120	3.23%
FirstRand Bank Limited - FRJ26	2.64%
Clindeb Investments Limited - NTC38	2.00%
Discovery Limited - DSY06	1.93%
Absa Bank Ltd - ASC260	1.86%
Standard Bank Of South Africa Ltd. MYFRN3824	1.38%
Capitec Bank Limited - CBL31	1.35%
FirstRand Bank Limited - FIFB30	1.30%
Thekwini Fund 19 (rf) Ltd	1.25%

The 10-largest instruments at 31 July 2025, looking through all asset classes held.

Quarterly portfolio commentary for Q2 2025

In South Africa, early indicators for the first quarter have been disappointing, particularly in mining and manufacturing, and unemployment has increased. The South African Reserve Bank (SARB) has revised GDP growth down to 1.2% for 2025, with a projection of 1.8% by 2027. Structural reform prospects are positive, but global headwinds remain. Inflation dropped below 3.0% in April, mainly due to lower fuel prices, and core inflation remains subdued at 3.0%. The SARB has revised down its inflation forecasts based on a lower starting point, a stronger rand, and softer global oil prices, which offset pressures from higher fuel levies. Due to these conditions, SARB's Monetary Policy Committee (MPC) cut the repo rate by 25 basis points effective 30 May, with five members supporting the move and one preferring a 50 basis point cut.

The SARB released an accompanying working paper which re-evaluates South Africa's inflation-targeting framework, proposing a transition from the longstanding 3.0 – 6.0% band (with an implicit midpoint of 4.5%) to a lower, fixed 3.0%-point target. The SARB authors argue that South Africa's high inflation target - relative to peer emerging markets and major trading partners - perpetuates elevated inflation expectations, constrains investment, weakens macroeconomic stability, and entrenches inequality. By contrast, a lower and more credible inflation target is posited to catalyse stronger growth, improved fiscal health, and enhanced monetary policy transmission. Utilising both the South African Reserve Bank's Quarterly Projection Model (QPM) and an augmented core econometric model, the authors simulate the macroeconomic and fiscal outcomes of a reduced inflation target. The findings indicate that, even under conservative assumptions, a transition to a 3.0% target generates substantial long-term growth dividends. Inflation expectations adjust downward, nominal interest rates compress, and policy credibility is bolstered, triggering a virtuous cycle of investment-led growth and fiscal consolidation.

According to the SARB, the proposed 3.0% target is not arbitrarily selected; but rather, aligns with empirical findings and theoretical optimal inflation thresholds for emerging markets. It avoids the zero lower-bound, accommodates necessary relative price adjustments, and mitigates distortionary effects on wage and price-setting. The shift is also consistent with evolving international monetary policy norms; wherein most emerging markets have revised initial high inflation targets downward as disinflation credibility has increased.

Lower inflation expectations reduce nominal interest rates, thereby decreasing debt-service costs significantly, especially given South Africa's large stock of government debt. The SARB paper describes potential nominal fiscal savings upon a revised borrowing strategy favouring instruments that immediately benefit from inflation moderation. This easing of fiscal pressures facilitates reallocation toward more productive public spending.

For the quarter, the building block delivered a return of 2.24% compared to 1.86% for the SteFI benchmark.

For the year, the building block delivered a return of 9.65% against the SteFI benchmark of 8.07%. 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 abovebenchmark

yields.

Notes

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

Disclosures

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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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Contact and other information

Momentum Multi-Manager (Pty) Ltd
268 West Avenue, Centurion, 0157
PO Box 7400, Centurion, 0046
T +27 (0)12 671 8911
F +27 (0)12 684 5869
Email emailus@momentum.co.za
Web www.momentum.co.za/business

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