Equilibrium

Quarterly Report

Q2 2022

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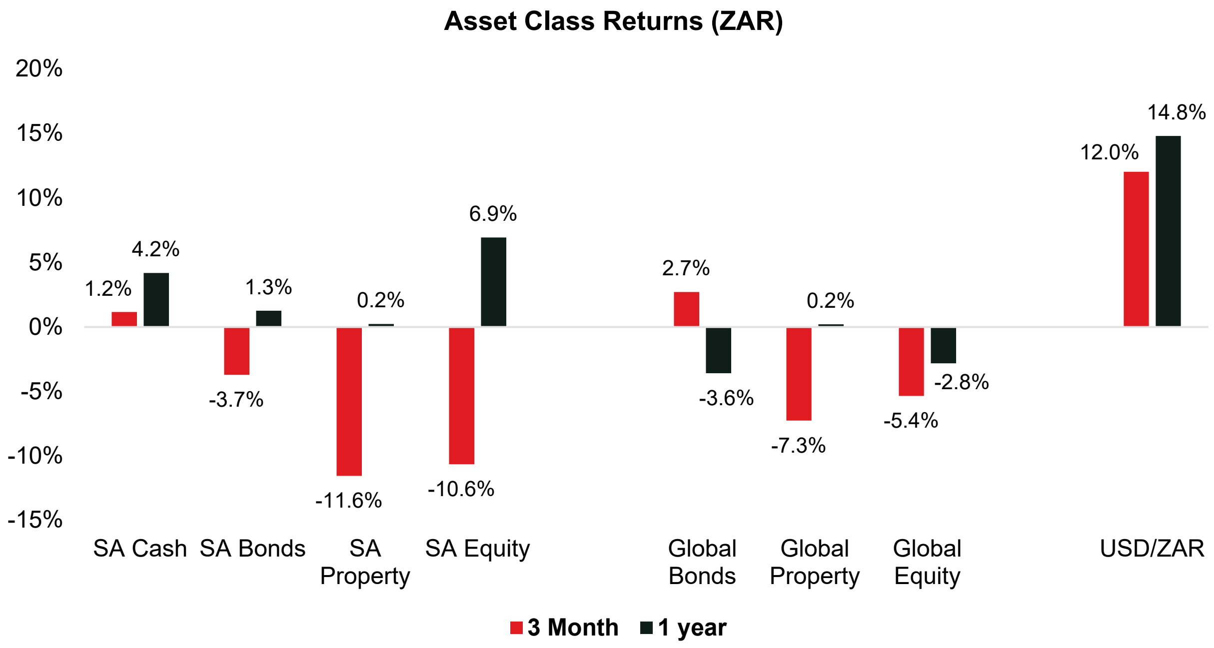
1. Performance overview

1.1. Quarterly market summary



At the start of the year, many believed that hard lockdowns were a thing of the past and few imagined that Russia would launch a full-scale invasion of Ukraine. Market participants had little line-of-sight into how far inflation would surge and how aggressively central banks would respond to defend price stability and maintain credibility.

A tough environment left investors with nowhere to hide in the second quarter of the year, with global equities extending losses and bond yields rising further. Global equities plunged 15.7% in USD terms in the second quarter, dragged down by poor performance in both developed markets (DMs) and emerging markets (EMs). The MSCI World Index tanked 16.2% in USD terms in the quarter, with equity markets in the United States (US) experiencing larger losses. The S&P 500 Index tumbled 16.1% in USD terms, led weaker by technology, communication services and consumer discretionary stocks, while utilities and consumer staples outperformed in the quarter. European equities weakened into the end of the quarter as concerns over slowing growth mounted amid rising inflation prospects and the likelihood of more aggressive central bank action. The MSCI EM index fared slightly better, falling only 11.3% in USD terms amid a reopening of the Chinese economy as COVID-19 related lockdowns were relaxed. Due to the weakening of the rand, the losses in global equities were cushioned with the asset class ending the quarter down only -5.4% in rand terms.

The yield on the US 10-year government bond rose by an additional 0.68% in the second quarter after rising 0.83% in the first quarter as investors speculated over more aggressive action by the US Federal Reserve (Fed) to quell soaring inflation. The German 10-year government bond yield also increased over this period by 0.79% to 1.4%. Despite the turmoil in global bond markets, a return of 2.7% was generated owing mainly to currency weakness. Global property felt the brunt of the normalisation in monetary policy and ended the quarter as the worst performing global asset class, falling 17.2% in USD terms (-7.3% ZAR).

On the local front, the equity market shadowed global trends and posted a loss of 10.6% for the second quarter of the year. A fall in resource and financial shares drove losses in the FTSE/JSE Capped SWIX. The FTSE/JSE Resources Index plunged 20.7% on the back of a 14.5% fall in the international price of palladium, a 9.1% drop in the price of platinum and a 6.7% dip in gold prices. The FTSE/JSE Financials Index erased 15.3% of its value in the second quarter of the year, while the FTSE/JSE Industrials Index shed 3%. The FTSE/JSE Mid-cap index was down 12.7% in the quarter, while losses were more sheltered for small-cap equities at 5.5%.

The FTSE/JSE SA Listed Property Index shed 11.6% during the second quarter of the year. Despite some improvement in the listed property market in SA, including a stabilisation in property values and an improvement in balance sheets, sector fundamentals remain negative. Headwinds continue to plague the office sector with high vacancy rates a function of hybrid work models.

Local bonds endured a tough quarter as bond yields followed their global counterparts higher, with the selloff exacerbated by indiscriminate selling from foreigners as they flea form the perceived risky asset class that is emerging market bonds. From a sectoral perspective, the longer end of the yield curve fared worse than the shorter end despite the shorter end rising sharply off the back of a 0.5% interest rate hike by the SARB in May. Local cash on the other hand displayed a slight uptick to 4.2% benefiting from the rate hiking cycle.

Despite initial resilience to the Russia-Ukraine war, the rand weakened in response to rising risk aversion, softer commodity prices, downgraded global growth prospects, spiralling global inflation and more hawkish central bank rhetoric during the second quarter of the year. The rand was the fifth-worst performing currency from its EM peer group in the second quarter of the year, losing 12.0% against the US dollar and 5.3% against the euro.

1.2. Manager returns and comments

Trailing returns as at 30 June 2022:

	3m	6m	9 months	1y	3y (ann.)	5y (ann.)	7y (ann.)
Momentum Enhanced Yield D	1.40%	2.77%	4.17%	5.55%	-	-	-
MI-PLAN IP Enhanced Income B1	1.17%	2.72%	4.93%	6.69%	8.28%	-	-
Prescient Income Provider A2	0.49%	1.54%	3.93%	6.05%	5.97%	7.03%	7.63%
Coronation JIBAR Plus P	1.30%	2.48%	3.64%	4.84%	5.66%	6.76%	7.11%
Stefi	**1.15%**	**2.19%**	**3.20%**	**4.18%**	**5.01%**	**5.93%**	**6.30%**
(ASISA) South African MA Income	*0.25%*	*1.30%*	*3.19%*	*4.65%*	*5.85%*	*6.72%*	*6.93%*
Momentum SA Flexible Fixed Interest D	-5.18%	-3.16%	0.53%	0.72%	-	-	-
Visio BCI Unconstrained Fixed Intst C	-0.36%	0.66%	3.25%	5.15%	7.48%	7.97%	-
ALBI	**-3.71%**	**-1.93%**	**0.88%**	**1.25%**	**5.78%**	**7.78%**	**7.43%**
Aylett Equity Prescient A1	-12.44%	-6.48%	7.15%	12.10%	11.74%	10.69%	9.43%
BlueAlpha BCI Equity B	-11.80%	-12.72%	-1.97%	2.63%	-	-	-
Fairtree Equity Prescient A2	-7.06%	-0.03%	11.22%	6.44%	16.93%	14.92%	11.54%
Foord Equity B2	-4.74%	-2.76%	0.98%	7.44%	6.87%	3.07%	2.28%
Momentum Core Equity C	-11.75%	-4.64%	3.87%	6.78%	7.57%	8.46%	-
FTSE/JSE Capped SWIX TR	**-10.65%**	**-4.65%**	**3.63%**	**6.94%**	**6.78%**	**5.89%**	**4.59%**
(ASISA) South African EQ General	*-9.09%*	*-5.29%*	*3.67%*	*6.38%*	*7.14%*	*6.13%*	*4.39%*
Catalyst SCI Flexible Property C	-9.82%	-14.39%	-5.99%	1.33%	-2.83%	-	-
Flexible Property Composite	**-10.42%**	**-13.99%**	**-4.89%**	**0.54%**	**-4.09%**	**-2.30%**	**0.65%**
Catalyst SCI Global Real Estate FF B	-7.61%	-19.30%	-5.86%	0.74%	6.20%	8.30%	8.64%
FTSE EPRA/NAREIT TR ZAR	**-7.27%**	**-18.33%**	**-4.26%**	**0.19%**	**4.93%**	**7.62%**	**8.48%**
(ASISA) Global RE General	*-8.01%*	*-18.95%*	*-5.33%*	*0.06%*	*4.73%*	*6.25%*	*6.63%*
CoreShares Total Wld Stck Trckr Fdr W	-5.22%	-18.14%	-8.74%	-4.17%	11.03%	-	-
Coronation Global Em Mkts Flex [ZAR] P	-4.37%	-32.41%	-32.45%	-37.12%	-5.06%	0.71%	2.94%
Satrix MSCI World Equity Index FF B2	-6.31%	-17.42%	-6.39%	-1.05%	12.41%	12.19%	11.82%
MSCI AC World TR ZAR	**-5.36%**	**-17.93%**	**-6.94%**	**-2.83%**	**12.17%**	**12.47%**	**12.20%**
MSCI World TR ZAR	**-5.95%**	**-18.26%**	**-6.36%**	**-1.19%**	**13.02%**	**13.19%**	**12.80%**
MSCI EM ZAR	**-0.66%**	**-15.37%**	**-11.23%**	**-13.89%**	**6.08%**	**7.26%**	**7.63%**
(ASISA) Global EQ General	*-4.81%*	*-18.17%*	*-10.47%*	*-7.88%*	*9.16%*	*9.08%*	*8.99%*
Coronation Glbl Strat USD Inc [ZAR]FF P	10.69%	0.13%	6.12%	11.92%	6.12%	6.05%	5.90%
1nvest Global Govt Bond Index FF B1	1.82%	-12.58%	-8.71%	-5.00%	0.21%	-	-
Citigroup WGBI	**2.06%**	**-12.62%**	**-8.22%**	**-4.44%**	**0.62%**	**3.37%**	**4.42%**
FTSE G7 Bond Index	**2.63%**	**-12.12%**	**-7.55%**	**-3.55%**	**0.91%**	**3.50%**	**4.51%**

Income

Coronation JIBAR Plus outperformed the STeFI composite index by 0.2% over the quarter. The fund continues to benefit from its allocation to high-quality bank paper, which provided a stable spread over cash yields, while fixed-rate NCDs have also contributed to relative performance, given the aggressive interest rates priced in by the market. In absolute terms, the fund experienced a notable increase in returns, largely due to the 0.50% increase in the repo rate by the SARB over the quarter, which filtered through to JIBAR (up 0.64% in the quarter), hence the JIBAR-linked securities held by the fund.

Momentum Enhanced Yield outperformed the STeFI composite index by 0.3% over the quarter. The fund's performance relative to the STeFI composite index was again supported by its allocation to high-quality bank paper, which provided a stable spread (130-150 bps on average currently) over cash yields, while the rise in money market rates also benefitted the fund as it has been able to lock in the higher yields. In absolute terms, the fund experienced a notable increase in returns, largely due to the 0.50% increase in the repo rate by the SARB over the quarter, which filtered through to JIBAR (up 0.64% in the quarter), hence the JIBAR-linked securities held by the fund. The fund continues to collect interest and capital repayments from its Land Bank exposures, which were previously written-down.

MI-Plan IP Enhanced Income performed in line with the STeFI composite index over the quarter. The fund's marginally longer duration was a detractor from performance given the sell-off in local bonds over the quarter. This was however partially offset by the fund's marginal offshore exposure as the rand weakened. The fund's credit exposures continue to support performance, improved also by the recent hike in interest rates.

Prescient Income Provider underperformed the STeFI composite index by 0.7% over the quarter, with most of the underperformance coming through in June. The underperformance in June was primarily driven by the fund's duration (given the sell-off in local bonds) as well as its offshore holdings, with these securities selling off in their respective currencies but not benefitting from rand weakness given that Prescient opted to hedge out the currency exposure. This was marginally offset by the higher yielding securities (relative to cash) held in the fund.

Local Bonds

Momentum SA Flexible Fixed Interest underperformed the ALBI by 1.5% over the quarter. The fund's underperformance was primarily driven by its longer duration (approximately 1 year longer) as well as its overweight position to the 7-12 year and 12+ year area of the yield curve, which were the worst performing bond sectors. The fund's marginal property exposure further contributed to the underperformance given the sharp sell-off in local property in the last month of the quarter.

Visio BCI Unconstrained Fixed Interest outperformed the ALBI by 3.4% over the quarter. The negative quarterly performance was the first since Q1 2020, but only the fourth 3-month drawdown in the fund's history. The biggest contributors to performance relative to the ALBI over the quarter were the fund's significantly lower duration position, its allocation to ILBs, which outperformed nominals in the quarter, as well as its offshore exposure, given the weakening of the rand.

Local Equity

Aylett Equity Prescient underperformed the Capped SWIX over the quarter by 1.8%. Their preference for mid-caps was the main detractor from performance as small caps outperformed the market. The fund's stock selection managed to contribute slightly over the quarter with overweight positions in AngloGold, Aspen, and Sibanye Stillwater notwithstanding their combined underweight position in Naspers/Prosus, which was their main detractor. Although the fund underperformed, the exposure to offshore minimised the underperformance off the back of the stark weakening in the rand.

BlueAlpha BCI Equity underperformed the Capped SWIX by 1.2% over the quarter. Through a stock selection lens, the fund's stock picks detracted from performance with the main drivers being a large underweight position in Naspers and overweight positions in Foschini and First Rand. Their underperformance was softened by their exposure to offshore stocks, which outperformed as the rand weakened over the quarter.

Fairtree Equity Prescient outperformed the Capped SWIX by 3.6% over the quarter, benefitting significantly from their overweight position in select larger caps, which rallied through the quarter. More specifically, overweight positions in Thungela Resources, Glencore and Naspers all contributed to performance from a stock selection perspective. This was further supported by underweight positions in First Rand and Aspen. From an industry perspective, their large overweight position in certain retailers also contributed to their outperformance.

Foord Equity was the best performing manager over the quarter, outperforming the Capped SWIX by 5.91%. Their main driver of performance came through their industry selection, holding overweight positions in certain retailers and industrials with both sectors rallying throughout the quarter. Positioned as a risk-averse manager, it is no surprise that their large cash holding contributed to performance in a quarter with incredibly poor market returns. From a stock selection perspective, their overweight positions in Aspen, Italtile and Foschini detracted from performance, but this was, however, offset by their overweight positions in Naspers and Mediclinic, which contributed to performance.

Momentum Core Equity underperformed the Capped SWIX by 1.1% over the quarter, as the only underlying component to outperform the benchmark was value delivering 0.20% of alpha. The momentum component was the largest detractor, delivering -1.3% alpha over the quarter. Although the quality component still detracted from alpha over the quarter, it has seen support and a relative recovery over the quarter (particularly in the month of June). From a sectoral perspective, the fund's overweight position in resources (through diversified mining and metals and precious metals and silver) detracted from performance. Furthermore, from a stock selection perspective, the fund's underweight position in Naspers and overweight positions in Truworths and Exxaro detracted from performance.

Flexible Property

Catalyst SCI Flexible Property outperformed the composite benchmark by 0.6% over the quarter. From a tactical asset allocation perspective our underweight position in SA property and our overweight cash position contributed positively to performance relative to the benchmark. The main contributors to performance were the overweight positions in Vici Properties, American Tower and Healthcare Realty Trust, which outperformed relative to the benchmark and the underweight positions in Sirius and Hammerson, which underperformed the benchmark. The main detractors from performance were the overweight positions in Growthpoint, Segro and Allied Properties, which underperformed the benchmark and the underweight positions in Irongate and Realty Income, which outperformed the benchmark.

Global Property

Catalyst SCI Global Real Estate marginally underperformed the FTSE EPRA/NAREIT Total Return Index by 0.3% over the quarter. At a sector and regional level, overweight positions in Asia and European Industrials and North American Apartments, as well as underweight positions in North American Data Centres and Asia Malls detracted from performance, while overweight positions in North American Gaming, Manufactured Housing and Industrials contributed to performance. At a stock level, the primary detractors from performance were overweight positions in Catena AB, Centuria Industrial and Allied Properties, while overweight positions in Duke Realty Corp and Healthcare Realty Trust contributed to performance.

Global Equity

CoreShares Total World Stock Tracker outperformed the MSCI ACWI by 0.1% over the quarter. Given the change in the index the fund tracks, we expect marginal differences between the performances of these indices over the short term but are comfortable that these indices should perform very similarly over the long-term.

Coronation Global Emerging Markets Flexible outperformed the MSCI ACWI by 1.0% over the quarter as emerging markets outperformed developed markets. Relative to the MSCI EM Index however, the fund underperformed by 3.7% over the quarter. Relative to the MSCI EM, the fund's major detractors were mainly within commodities and technology, namely Mercado Libre, Latin America's largest ecommerce operator, AngloGold, South Korea's Naver, Brazilian fintech group PagSeguro and Anglo American, which collectively cost the fund 4.2% of relative performance. This was however offset somewhat by the fund's largest holding, Naspers/Prosus, whose share price rallied off the back of the buyback announcement, as well as its holdings in JD.com and Wuliangye Yibin, which returned around 26% and 40% respectively in the quarter.

Satrix MSCI World Equity Index underperformed the MSCI ACWI by 1.0% over the quarter, as developed markets underperformed emerging markets. Performance was marginally behind its own benchmark, the MSCI World, which we expect to see at times over short-term periods, given the market frictions and dynamics at play when tracking global indices locally.

Global Bonds

Coronation Global Strategic USD Income outperformed the Citigroup WGBI by 8.6% over the quarter. The fund's relatively low effective duration was the biggest driver of the fund's outperformance, given the sell-off in global bonds, due to rising inflation risks and expectations of tighter monetary policy.

1nvest Global Government Bond Index marginally underperformed the Citigroup WGBI by 0.2% over the quarter, and underperformed its own benchmark, the FTSE G7 Bond Index, by 0.8%. The discrepancy between the fund's return and its benchmark was driven by the market friction caused by timing differences between when the fund prices and the relevant markets price as well as the ongoing management fee. These impacts are generally exacerbated in volatile markets with large daily moves in the indices.

2. Portfolio performance

2.1. Equilibrium Income Portfolio

Investment goal: **Stefi**
Time horizon: **1-year**

2.1.1. Returns

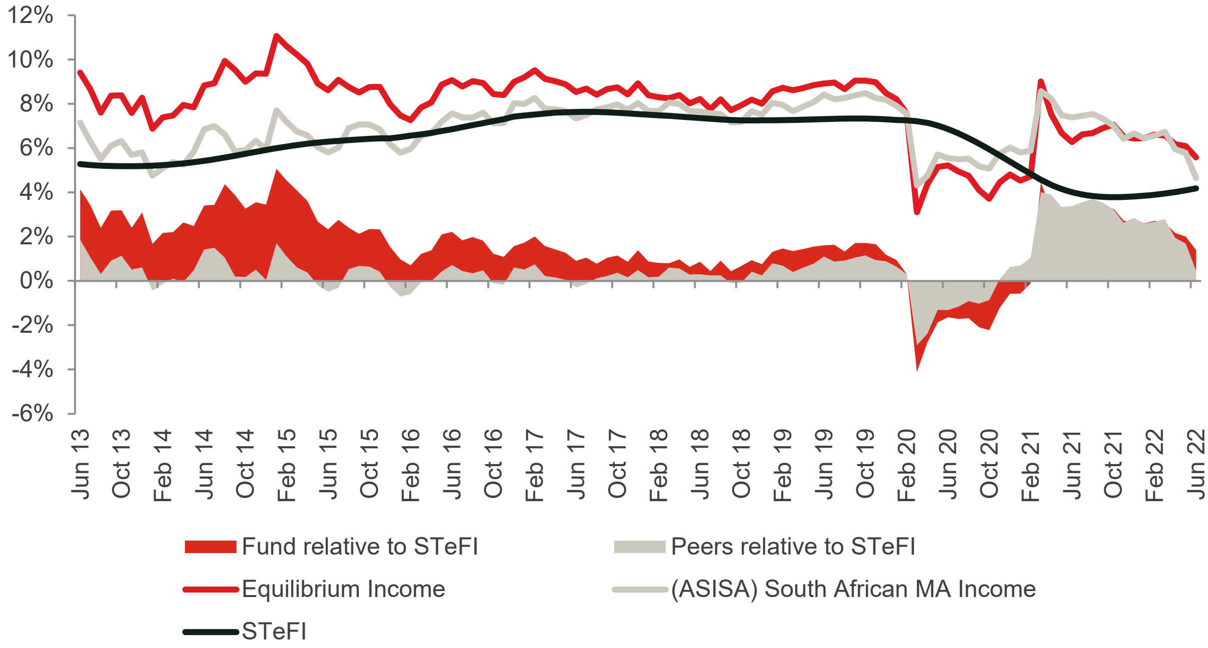
Figure 1.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Income	**0.8%**	**2.1%**	**5.6%**	**5.7%**	**6.8%**	**7.4%**	**6.8%**	**60**
Benchmark: STeFI	1.2%	2.2%	4.2%	5.0%	5.9%	6.3%	5.9%	
(ASISA) South African MA Income	*0.3%*	*1.3%*	*4.6%*	*5.9%*	*6.7%*	*6.9%*	*6.7%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio outperformed its STeFI benchmark over all periods greater than 6 months, net of all investment related fees. The portfolio outperformed the peer group over all periods except for the 3-year period.

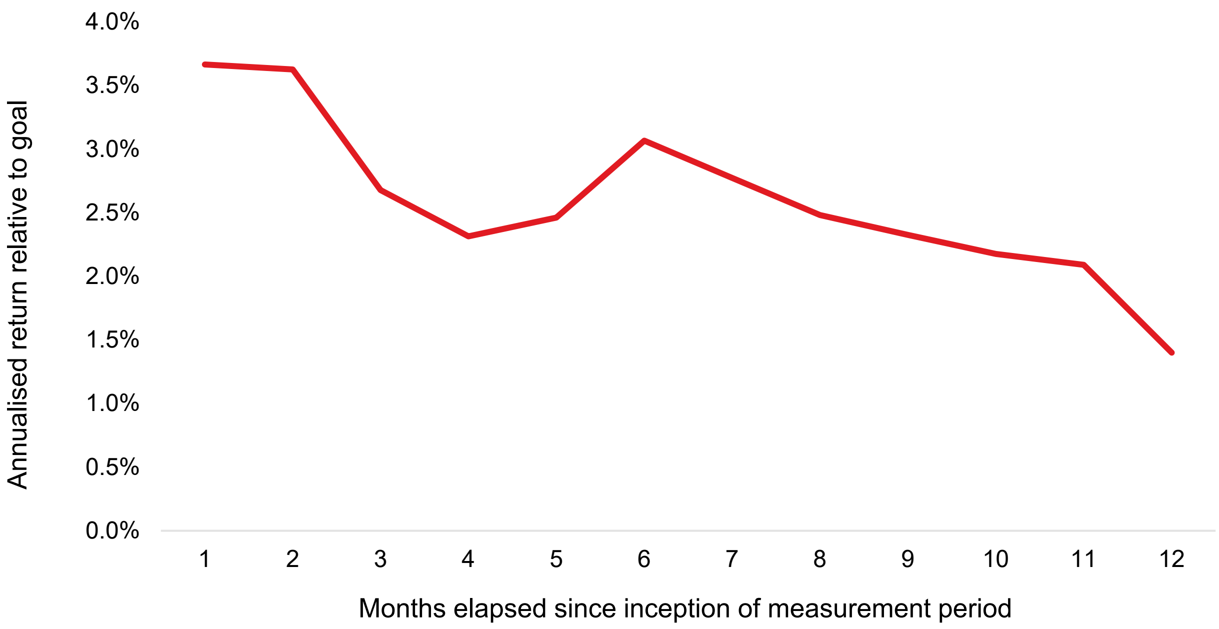
Figure 1.2: Rolling 1-year returns: 10 years to 30 June 2022 *



	Equilibrium Income	(ASISA) South African MA Income
Number of observations	109	
Period outperforming	97	84
Realised probability of outperforming	**89%**	77%
Max outperformance p.a.	**5.1%**	4.0%
Max underperformance p.a.	**-4.1%**	-2.9%

- Over the last 10 years, the portfolio outperformed its benchmark during 89% of the rolling 1-year periods. This compares favourably with the peer group, which only outperformed during 77% of the 1-year periods.

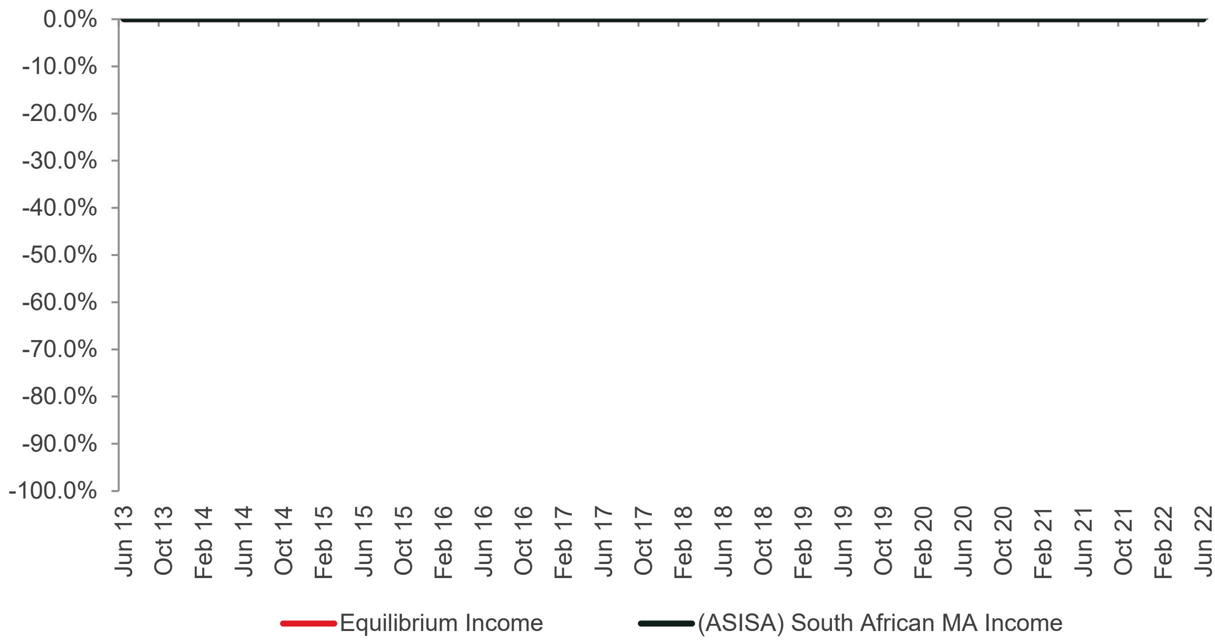
Figure 1.3: Portfolio performance relative to goal*



- The above graph shows the progression of the annualised returns relative to the STeFI benchmark over the measurement period up to 30 June 2022.The portfolio managed to outperform the STeFI benchmark at the end of the measurement period.

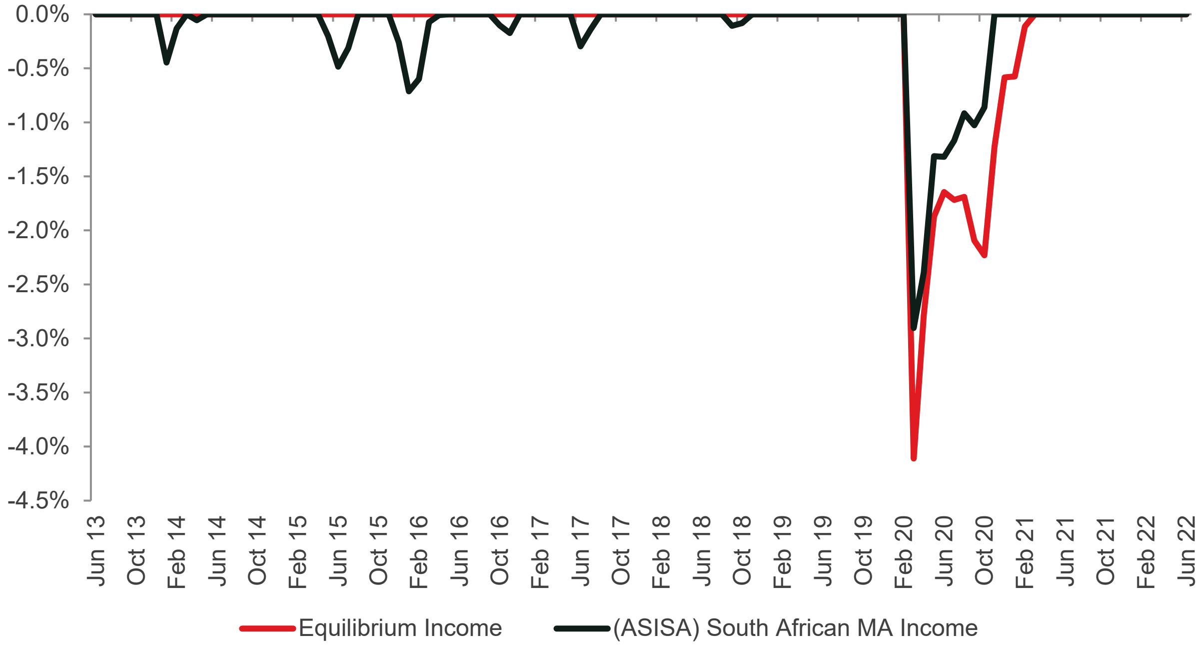
2.1.2. Risk

Figure 1.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- Over the period shown, both the portfolio and the peer group never experienced a rolling 1-year capital loss.

Figure 1.5: Rolling 1-year drawdown relative to goal: 10 years to 30 June 2022*



- Over the total period to 30 June 2022, the portfolio was significantly impacted by the marginal property exposure held by underlying managers during the COVID-19 crisis but made a strong recovery.

2.2. Equilibrium Conservative Portfolio

Investment goal: **CPI + 2%**
Time horizon: **3-years**

2.2.1. Returns

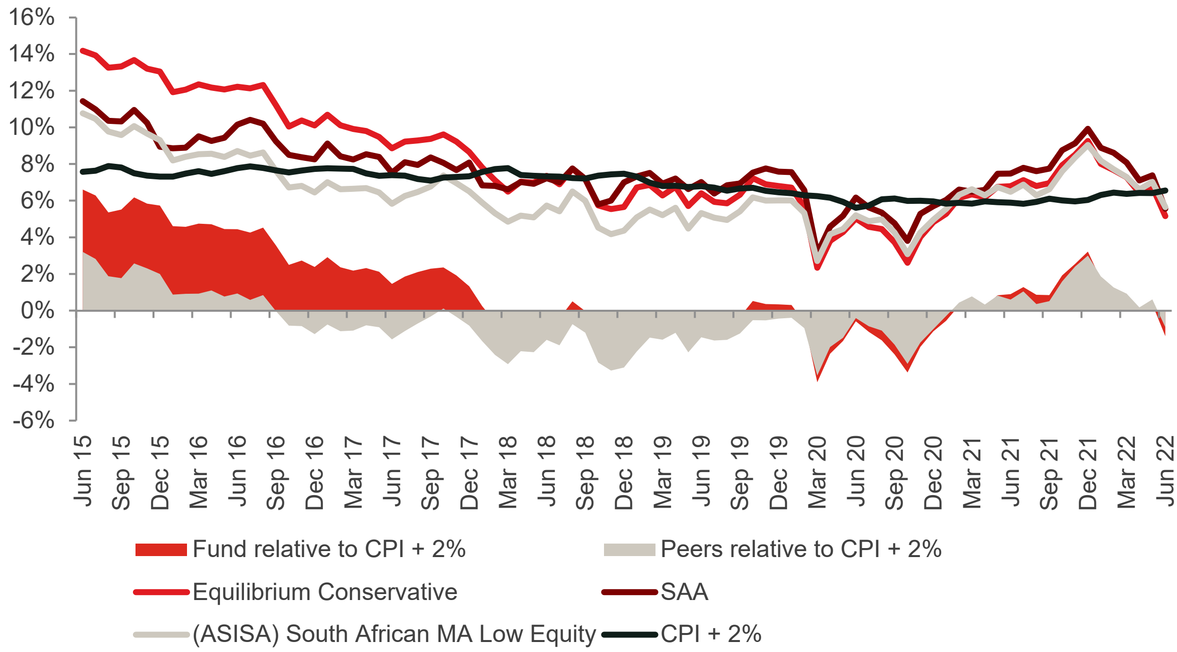
Figure 2.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Conservative	-3.9%	-5.1%	2.5%	5.2%	6.0%	6.4%	6.0%	60
Benchmark: CPI + 2%	2.7%	4.7%	8.5%	6.6%	6.5%	6.9%	6.5%	
SAA	-4.3%	-5.1%	2.4%	5.6%	6.7%	6.6%	6.7%	
(ASISA) South African MA Low Equity	*-2.9%*	*-3.8%*	*3.0%*	*5.6%*	*5.9%*	*5.7%*	*5.9%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 2% benchmark by 1.4% p.a. over the 3-year period to 30 June 2022. It also underperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.1% over the last 12 months, net of all investment related fees.

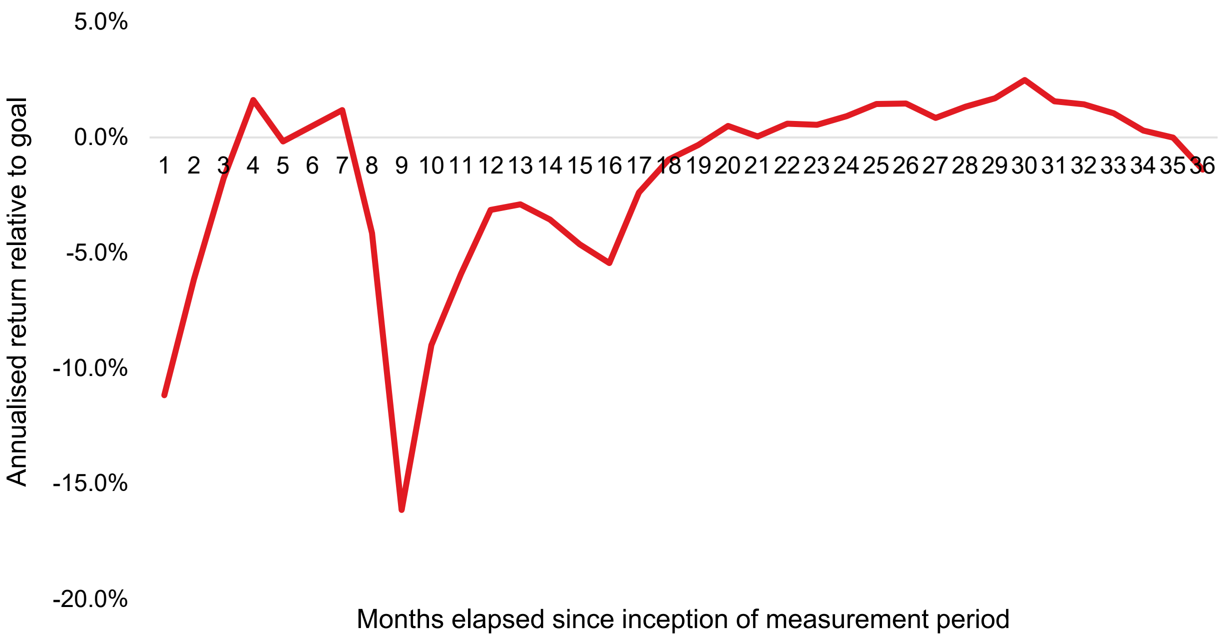
Figure 2.2: Rolling 3-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Conservative	(ASISA) South African MA Low Equity
Number of observations	85	
Period outperforming	53	32
Realised probability of outperforming	**62%**	38%
Max outperformance p.a.	**6.6%**	3.2%
Max underperformance p.a.	**-3.9%**	-3.5%

- Over the last 10 years, the portfolio outperformed its benchmark on 62% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 38% of the rolling 3-year periods.

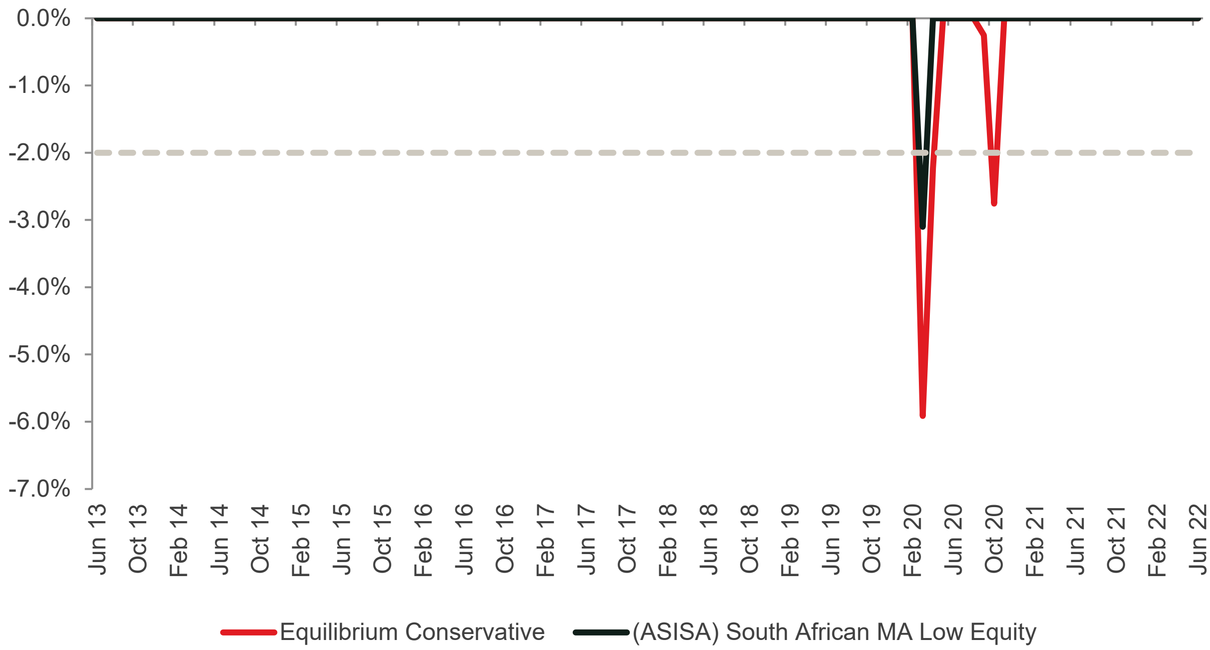
Figure 2.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 June 2022 the portfolio's annualised returns relative to its goal were mostly positive supported by good returns from local bonds as well as the strong returns in growth asset classes over the last 2 years. Unfortunately, the correction in most global and local asset classes from the beginning of the calendar year caused the portfolio to underperform its benchmark over the measurement period.

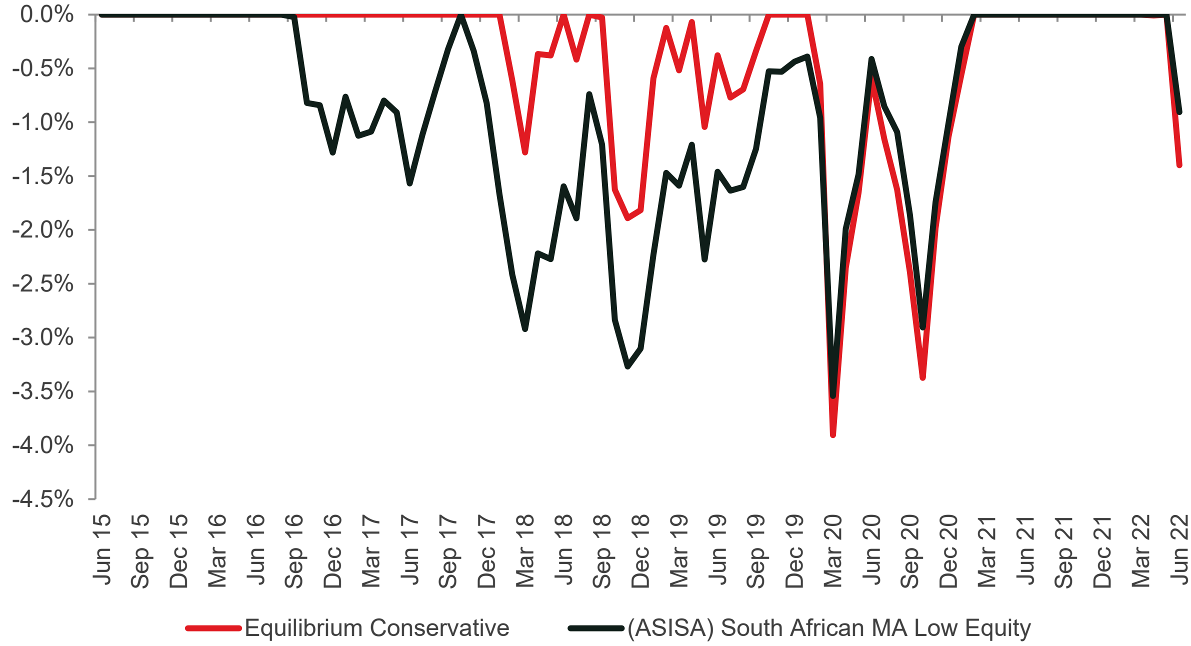
2.2.2. Risk

Figure 2.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 2% twice. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 2.5: Rolling 3-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- Even though the portfolio underperformed its benchmark over rolling 3 years, and recently greater than the peer group, it managed to outperform CPI + 2% more consistently than the peer group.

2.2.3. Performance attribution

Figure 2.6: Total return attribution: 12 months to 30 June 2022

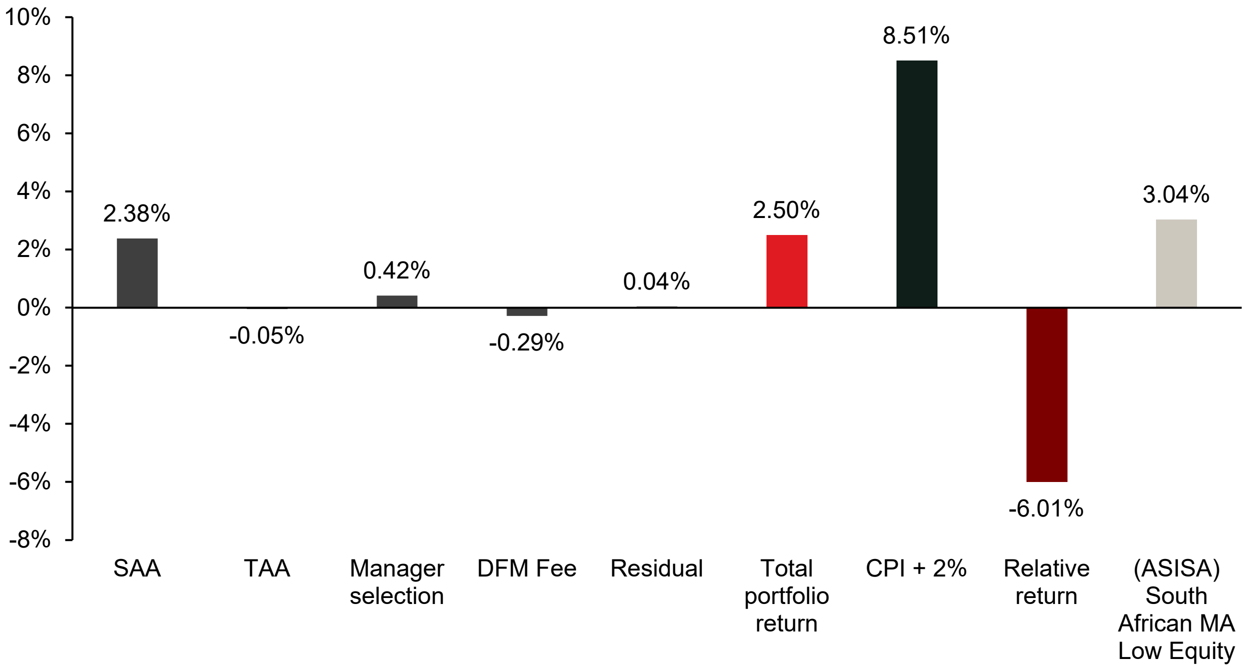


Figure 2.7: Strategic asset allocation effects: 12 months to 30 June 2022

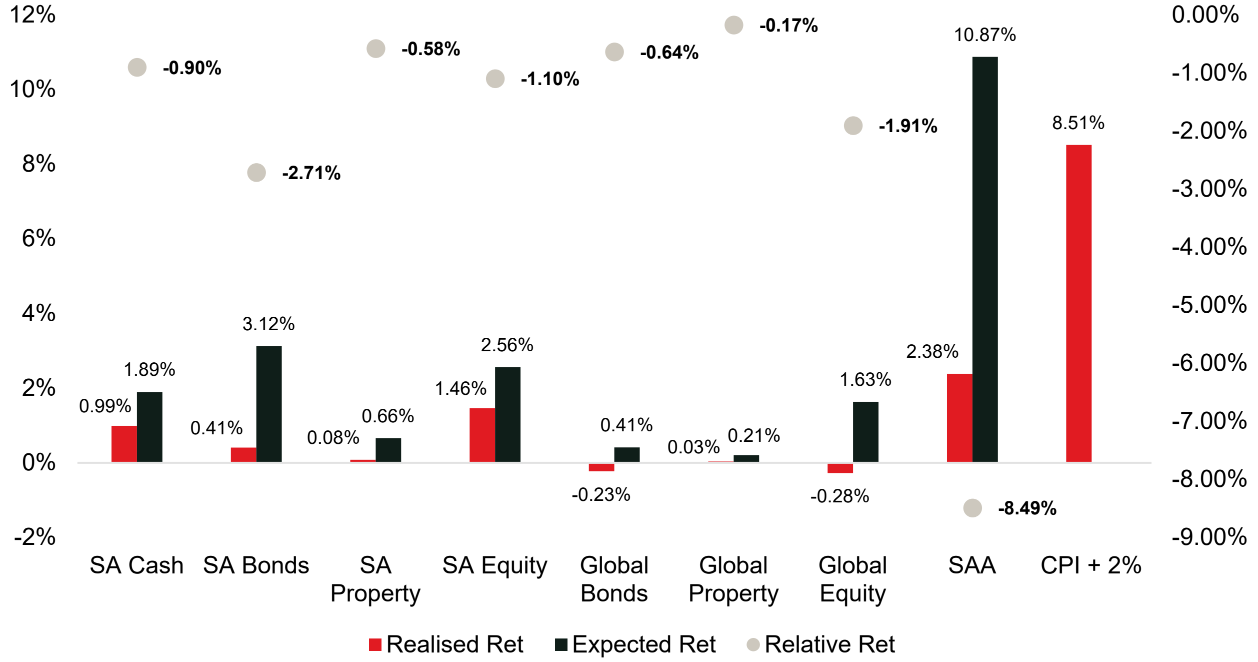


Figure 2.8: Tactical asset allocation effects: 12 months to 30 June 2022

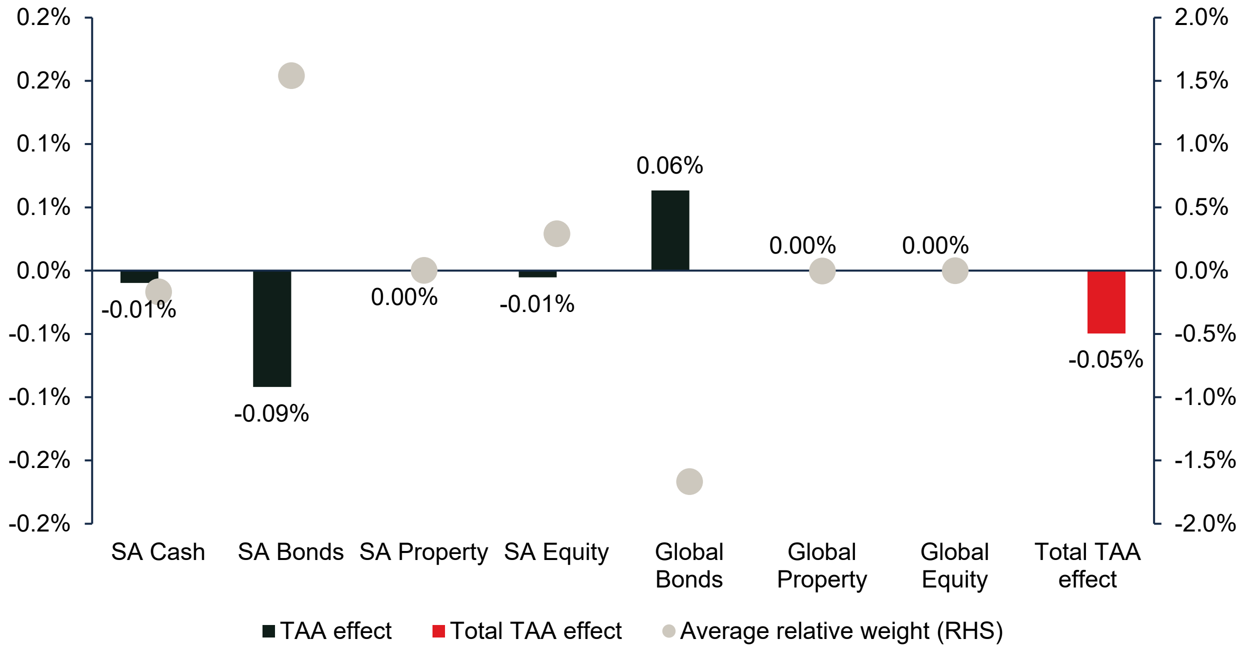


Figure 2.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

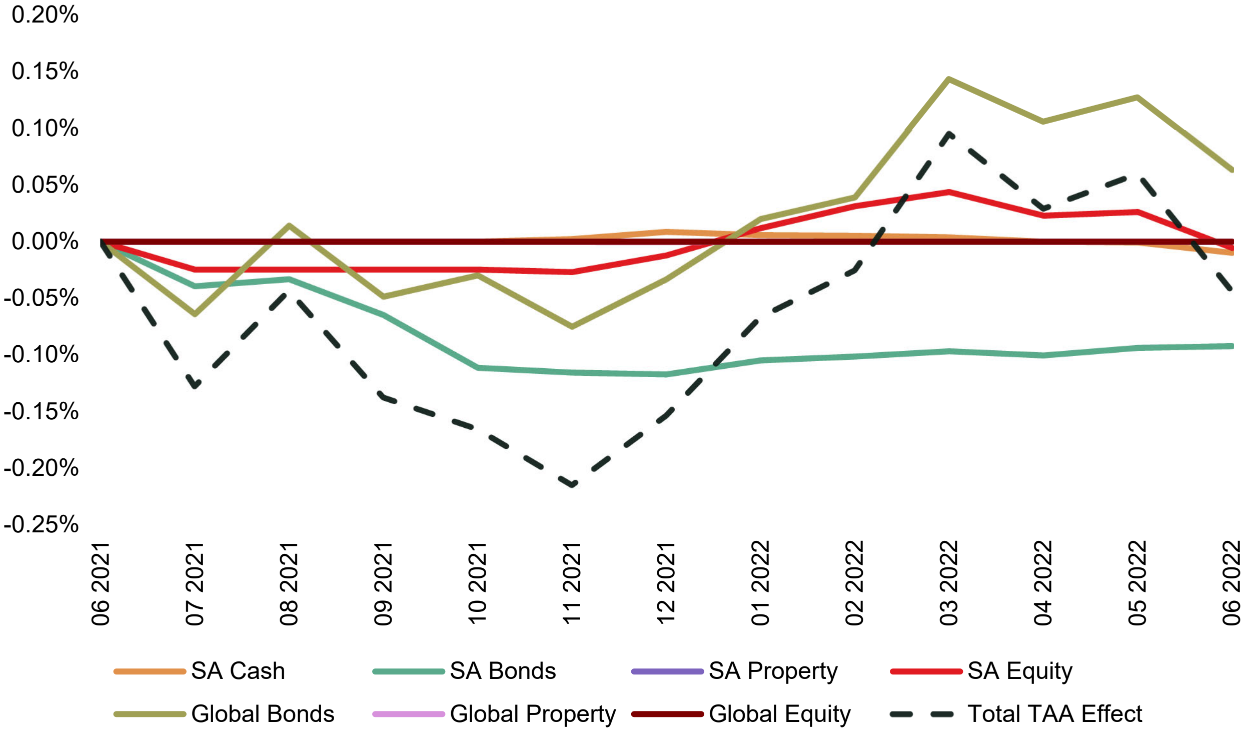


Figure 2.10: Manager selection effects: 12 months to 30 June 2022

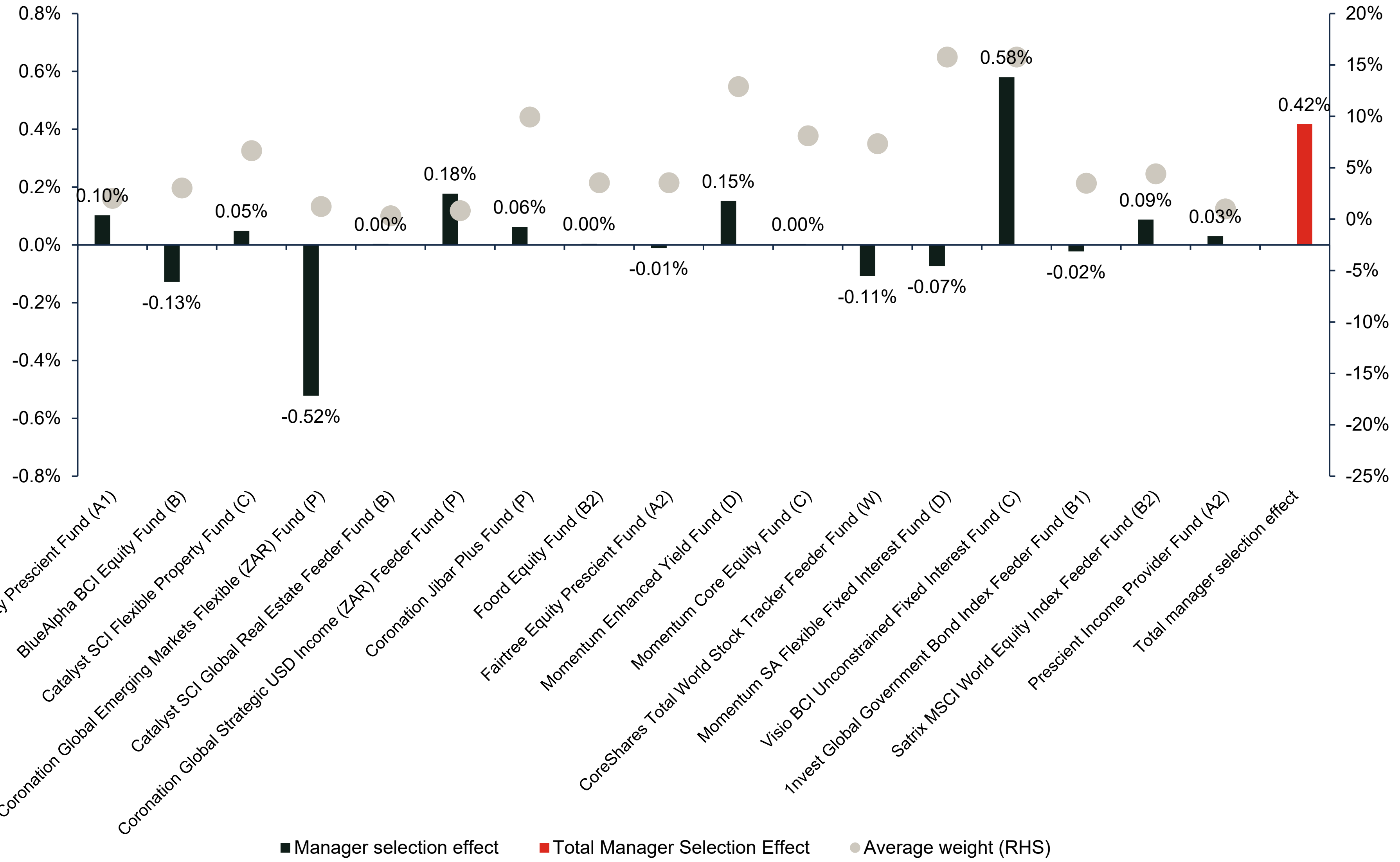
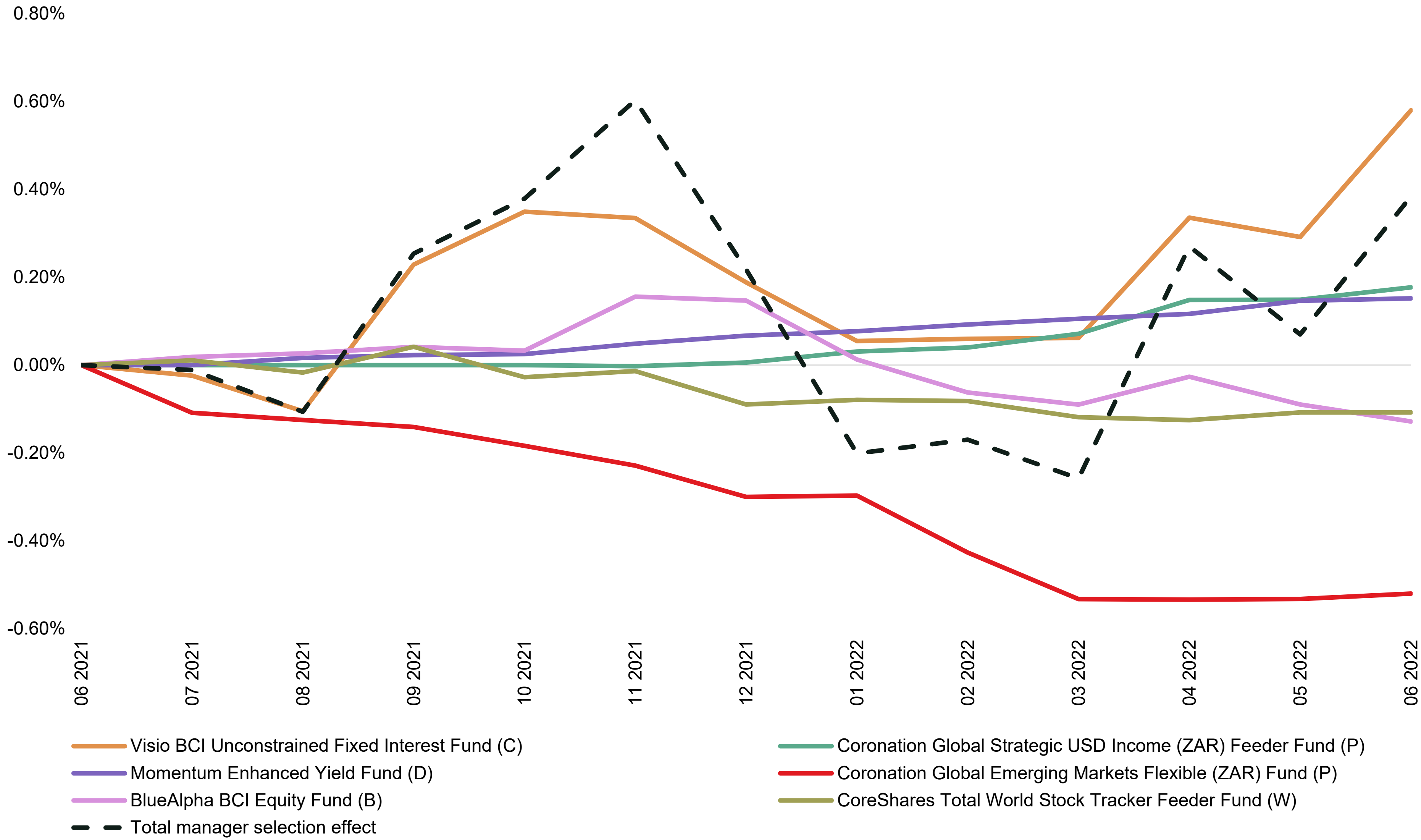


Figure 2.11: Cumulative manager selection effects: 12 months to 30 June 2022



2.3. Equilibrium Stable Portfolio

Investment goal: **CPI + 3%**
Time horizon: **4-years**

2.3.1. Returns

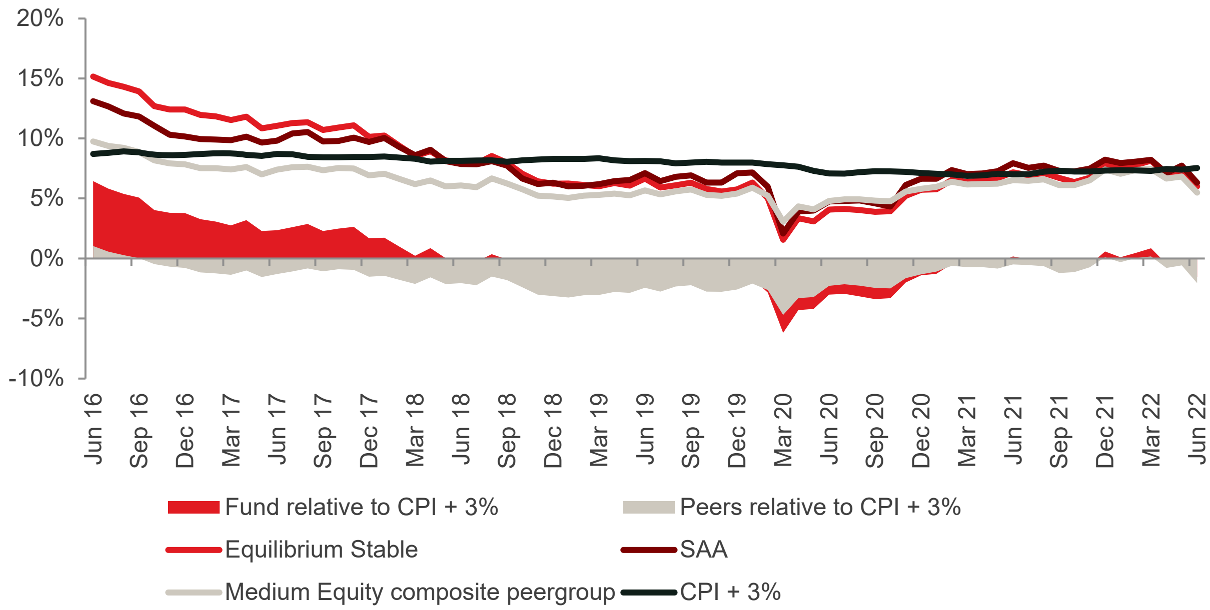
Figure 3.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Stable	-5.1%	-6.9%	1.8%	8.9%	6.0%	5.7%	6.1%	60
Benchmark: CPI + 3%	3.0%	5.2%	9.5%	8.9%	7.5%	7.7%	7.5%	
SAA	-5.6%	-6.8%	2.3%	9.2%	6.3%	6.2%	6.8%	
Medium Equity composite peer group	-4.6%	-5.7%	2.8%	6.6%	5.5%	5.4%	5.8%	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*
***The peer group returns until 31 May 2021 are for the ASISA SA MA Low Equity peer group. From 1 June 2021, this changed to the ASISA SA MA Medium Equity peer group due to a change in the portfolio's strategic asset allocation.*

- The portfolio underperformed its CPI + 3% benchmark by 1.5% p.a. over the 4-year period to 30 June 2022. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.5% over the last 12 months, net of all investment related fees.

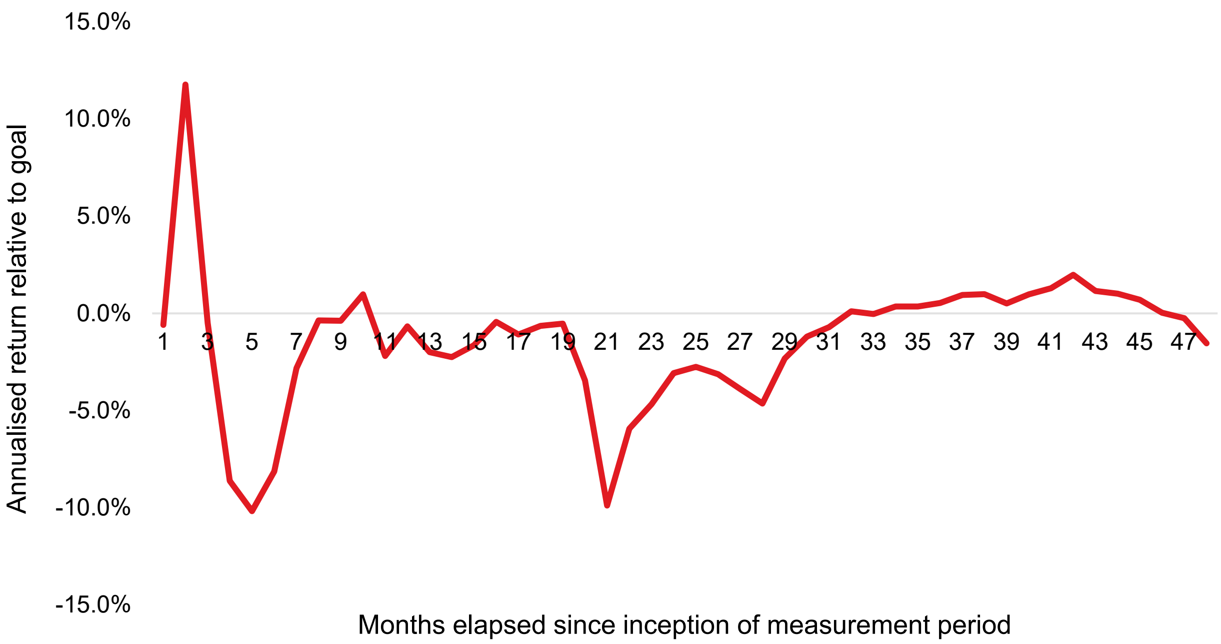
Figure 3.2: Rolling 4-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Stable	Medium Equity composite peergroup
Number of observations	73	
Period outperforming	30	7
Realised probability of outperforming	41%	10%
Max outperformance p.a.	6.5%	1.0%
Max underperformance p.a.	-6.2%	-4.7%

- Over the last 10 years, the portfolio outperformed its benchmark on 41% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 10% of the rolling 4-year periods.

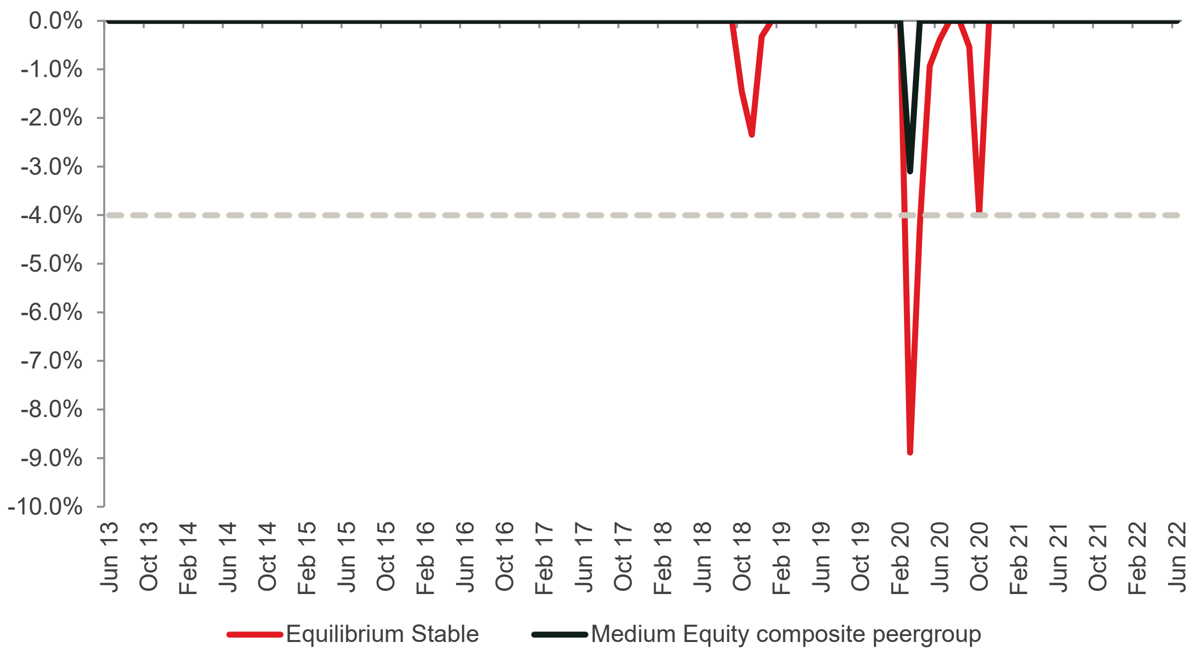
Figure 3.3: Portfolio performance relative to goal*



- Even though the portfolio was on track to meet its benchmark post the COVID-19 crises, unfortunately the recent correction in the markets detracted from performance towards the end of the measurement period.

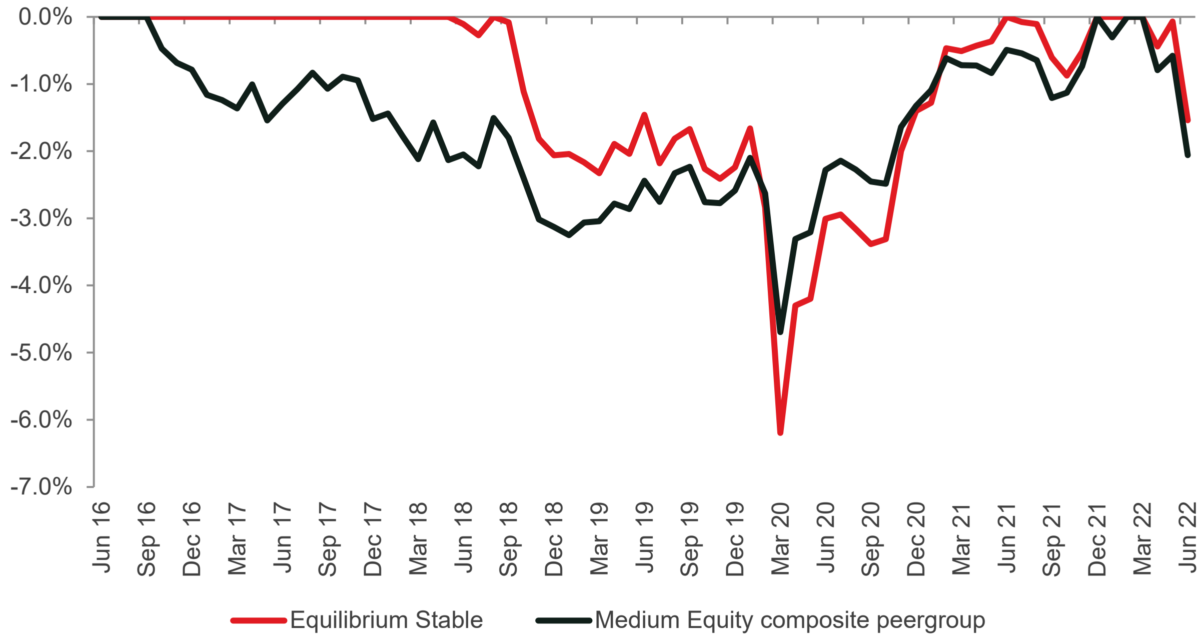
2.3.2. Risk

Figure 3.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 4% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 3.5: Rolling 4-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- Even though the portfolio underperformed its benchmark over rolling 4 years, and recently greater than the peer group, it managed to outperform CPI + 3% more consistently than the peer group.

2.3.3. Performance attribution

Figure 3.6: Total return attribution: 12 months to 30 June 2022

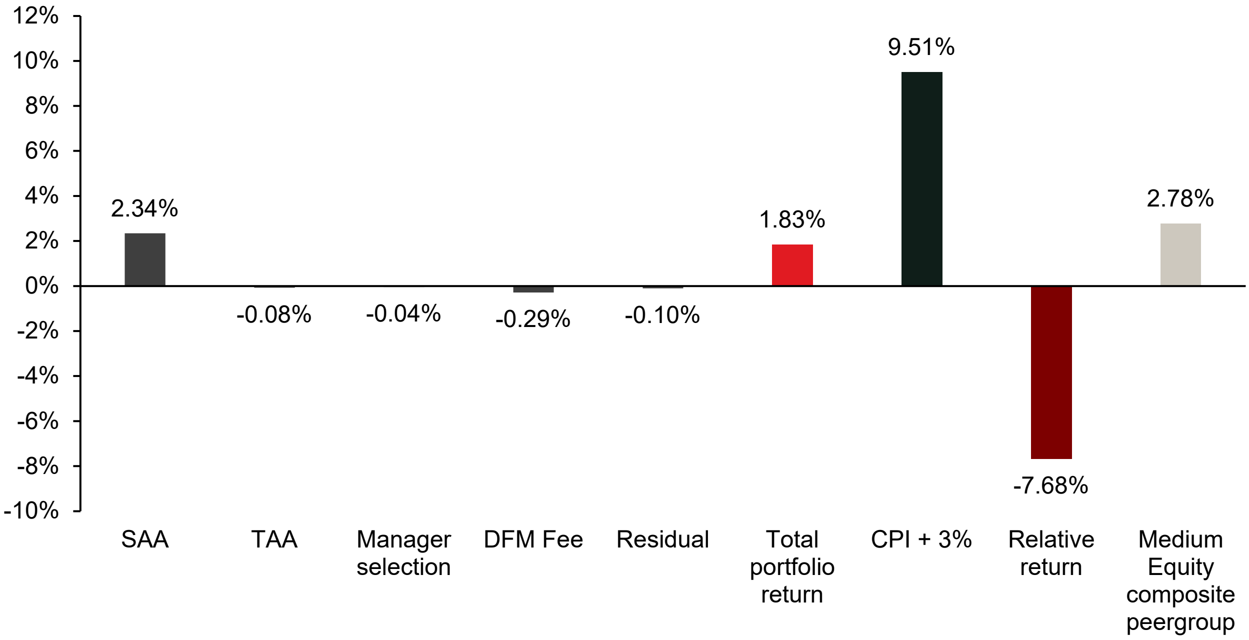


Figure 3.7: Strategic asset allocation effects: 12 months to 30 June 2022

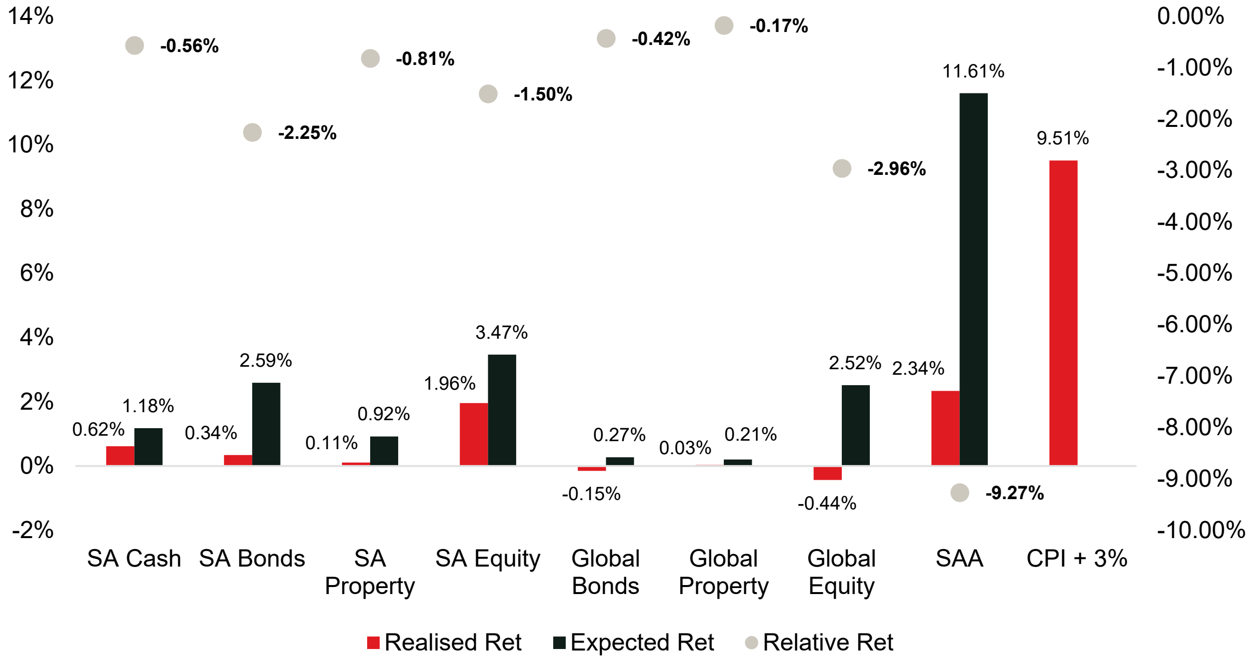


Figure 3.8: Tactical asset allocation effects: 12 months to 30 June 2022

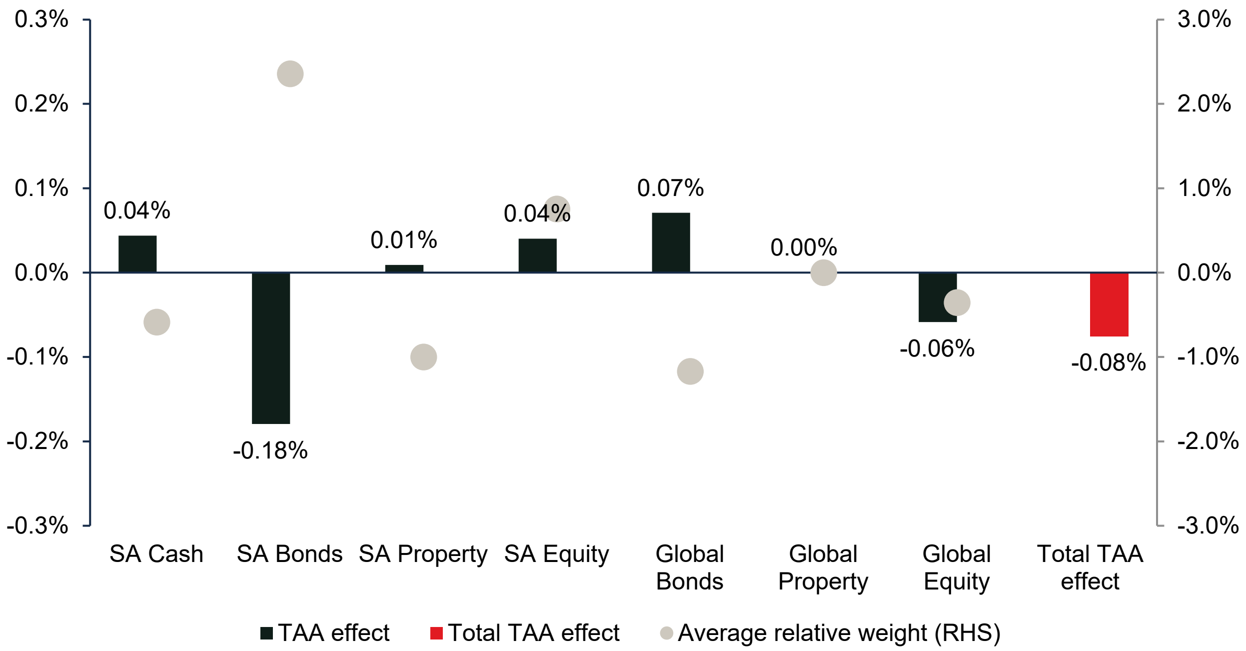


Figure 3.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

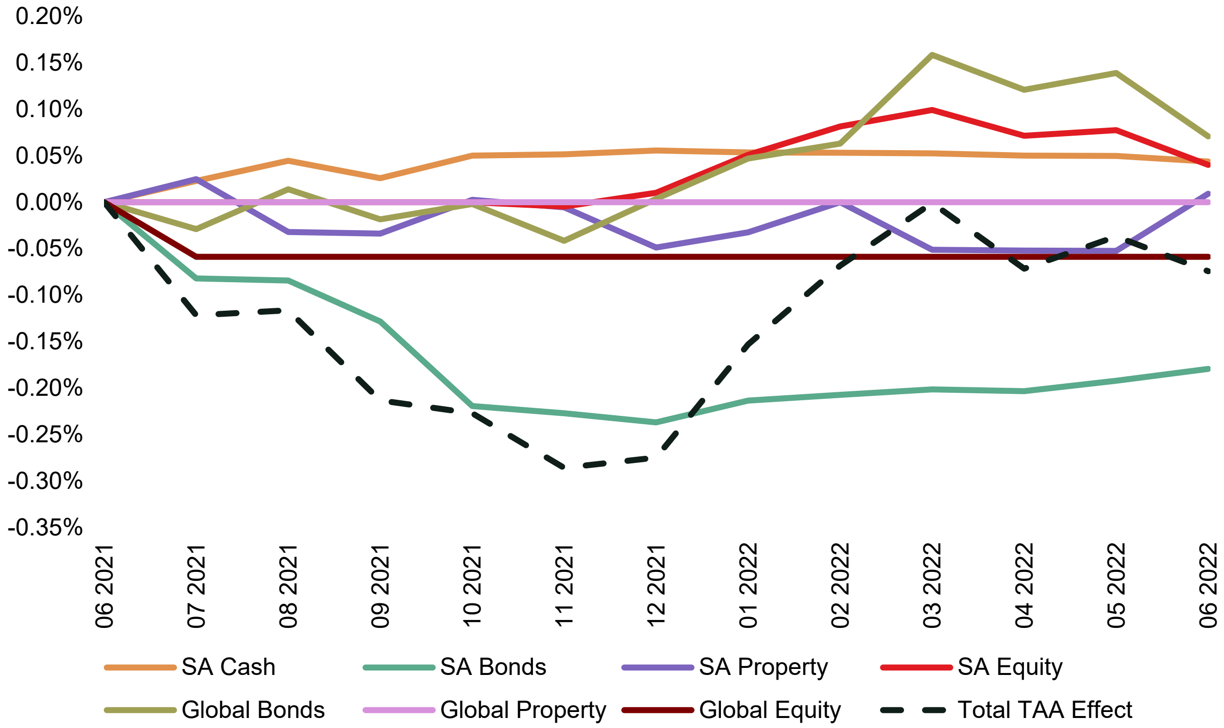


Figure 3.10: Manager selection effects: 12 months to 30 June 2022

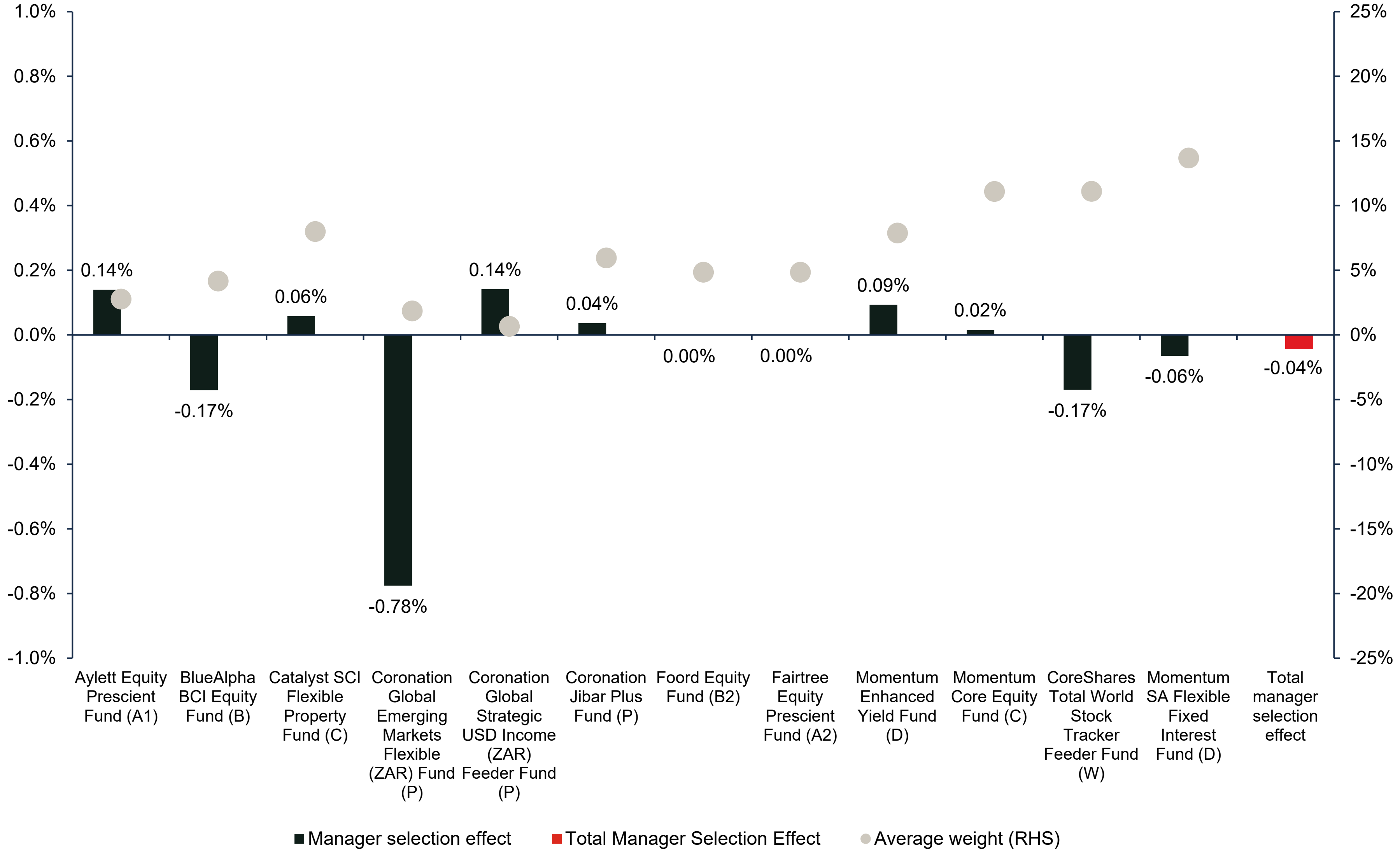
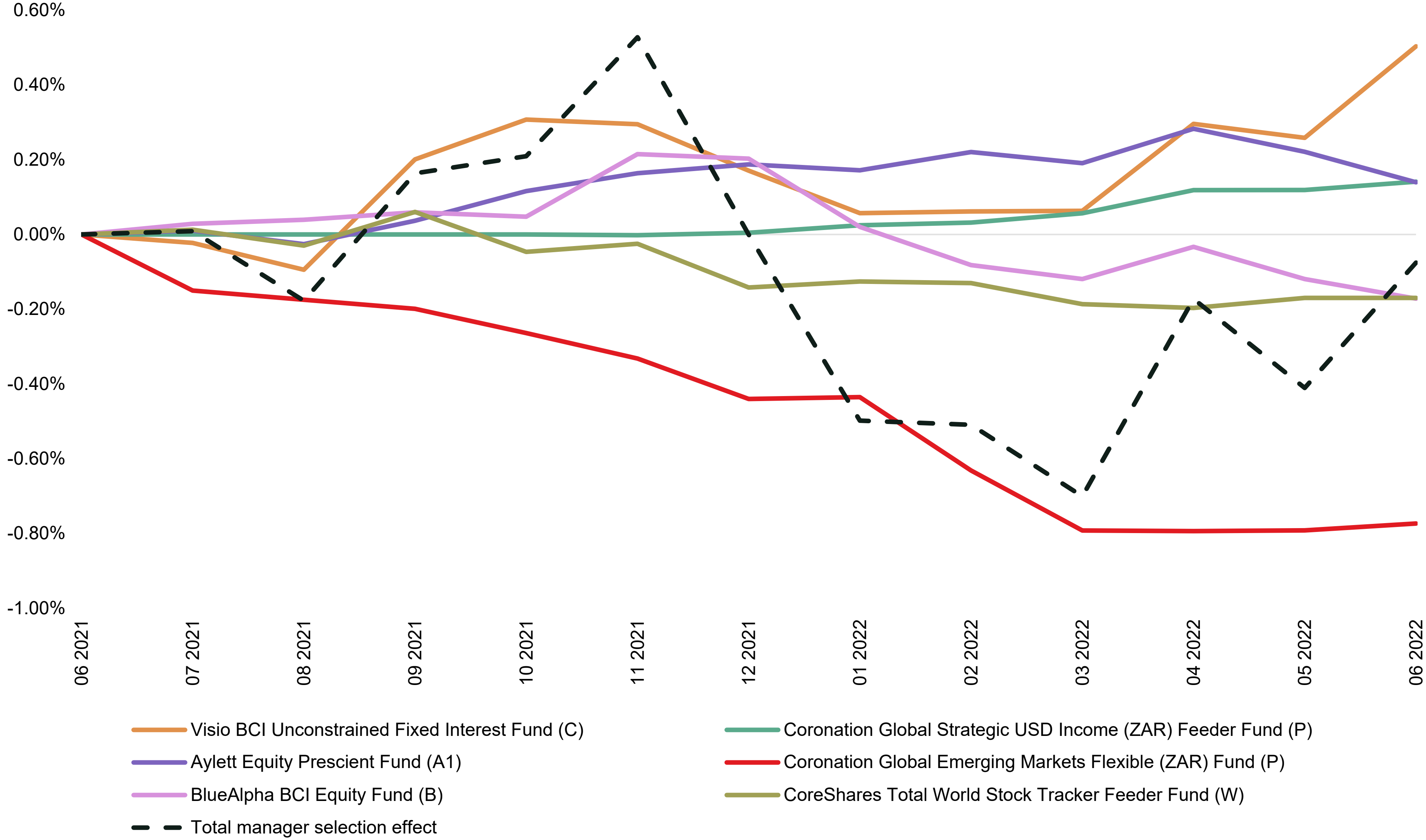


Figure 3.11: Cumulative manager selection effects: 12 months to 30 June 2022



2.4. Equilibrium Moderate Portfolio

Investment goal: **CPI + 4%**
Time horizon: **5-years**

2.4.1. Returns

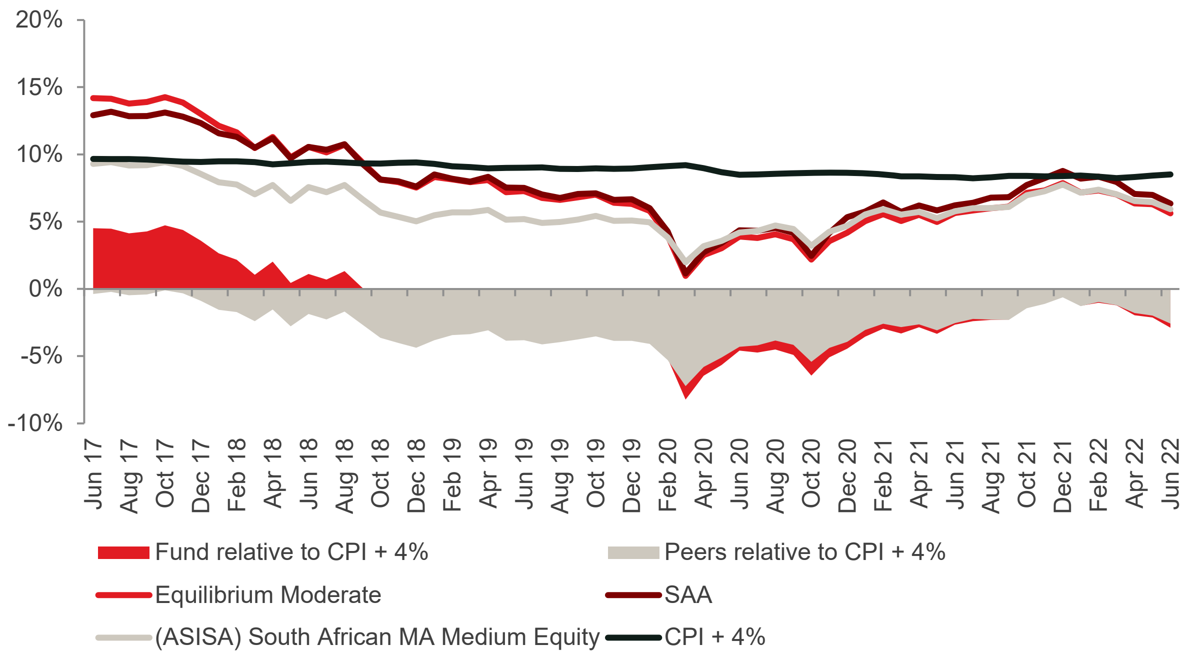
Figure 4.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Moderate	-6.2%	-7.8%	2.0%	5.6%	5.6%	5.7%	5.6%	60
Benchmark: CPI + 4%	3.2%	5.6%	10.5%	8.6%	8.5%	8.9%	8.5%	
SAA	-6.5%	-7.4%	2.8%	5.8%	6.3%	6.2%	6.3%	
(ASISA) South African MA Medium Equity	-4.6%	-5.7%	2.8%	6.1%	5.9%	5.3%	5.9%	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 4% benchmark by 2.9% over the 5-year period to 30 June 2022. It also underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.8% over the last 12 months, net of all investment related fees.

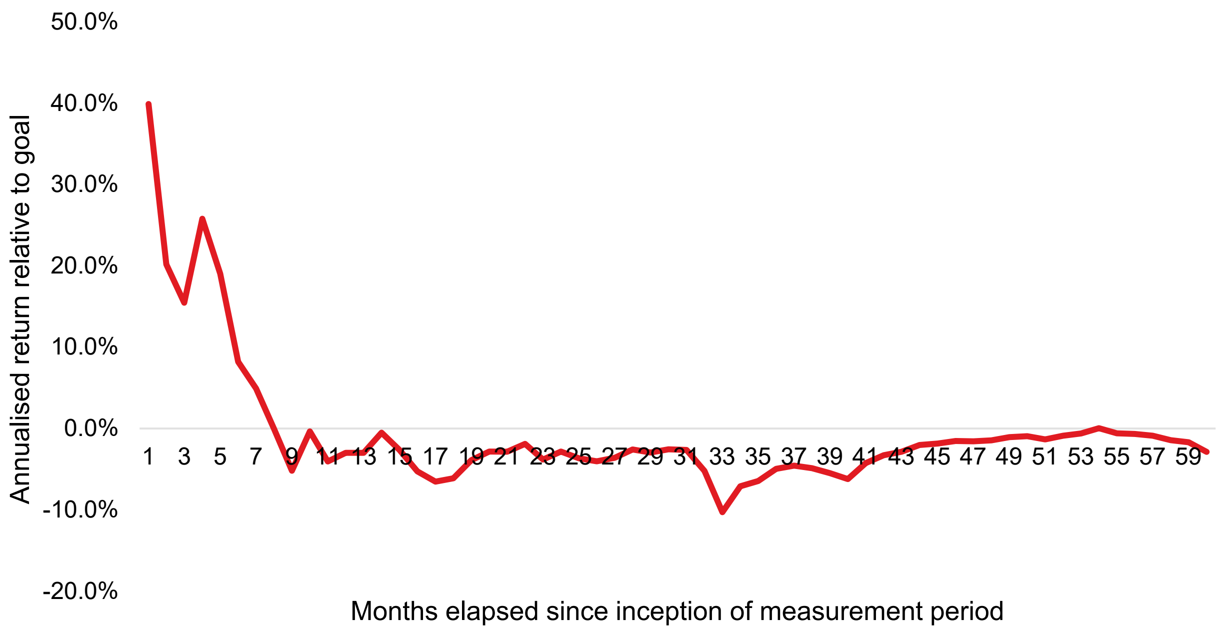
Figure 4.2: Rolling 5-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Moderate	(ASISA) South African MA Medium Equity
Number of observations	61	
Period outperforming	16	0
Realised probability of outperforming	**26%**	0%
Max outperformance p.a.	**4.7%**	-0.1%
Max underperformance p.a.	**-8.2%**	-7.2%

- Over the last 10 years, the portfolio outperformed its benchmark on 26% of the total rolling 5-year periods. This compares favourably with the peer group, which never outperformed over the rolling 5-year periods.

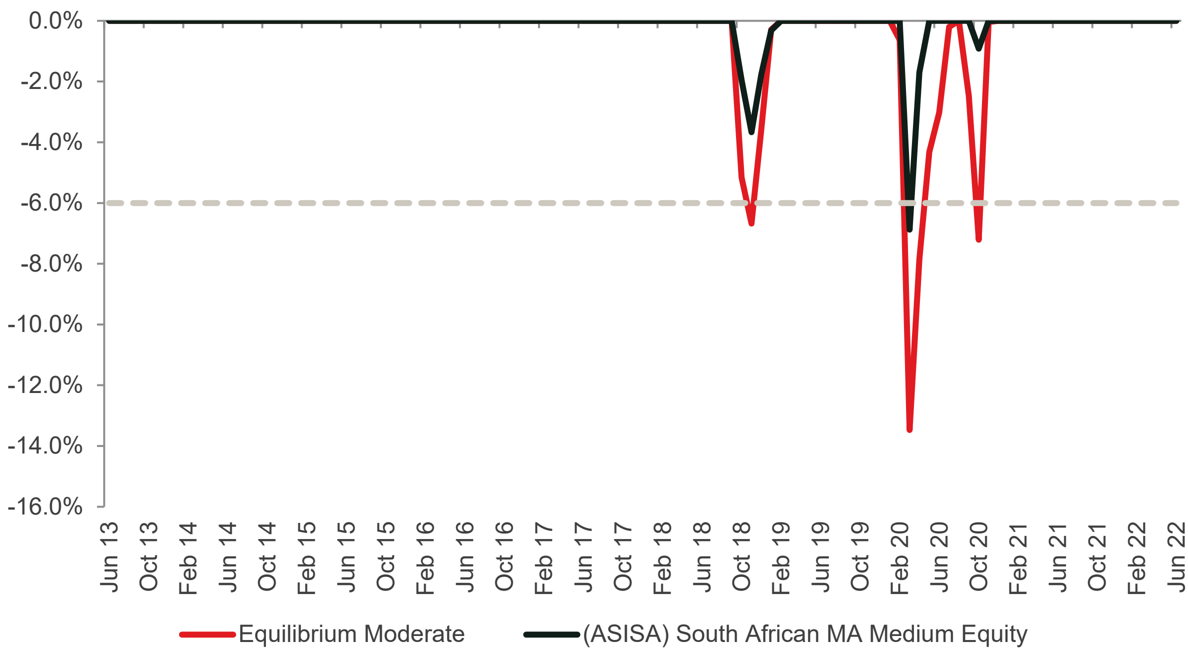
Figure 4.3: Portfolio performance relative to goal*



- Even though the portfolio was on track to meet its benchmark post the COVID-19 crises, unfortunately the recent correction in the markets detracted from performance towards the end of the measurement period.

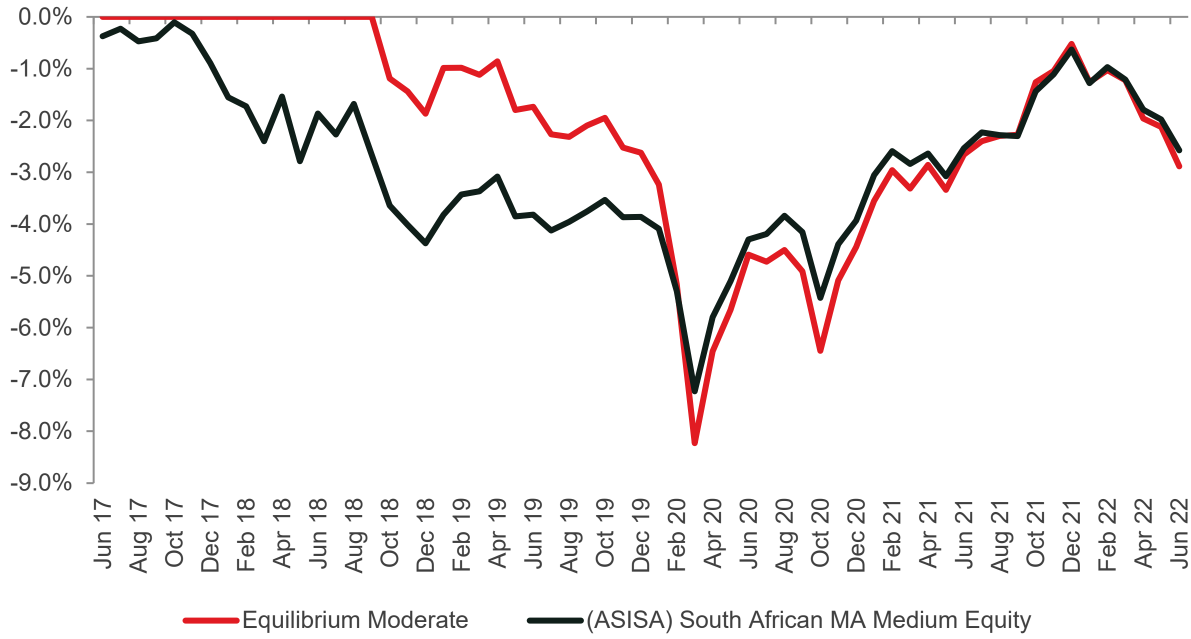
2.4.2. Risk

Figure 4.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 6% three times. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 4.5: Rolling 5-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- Even though the portfolio underperformed its benchmark over rolling 5 years, and recently greater than the peer group, it managed to outperform CPI + 4% more consistently than the peer group.

2.4.3. Performance attribution

Figure 4.6: Total return attribution: 12 months to 30 June 2022

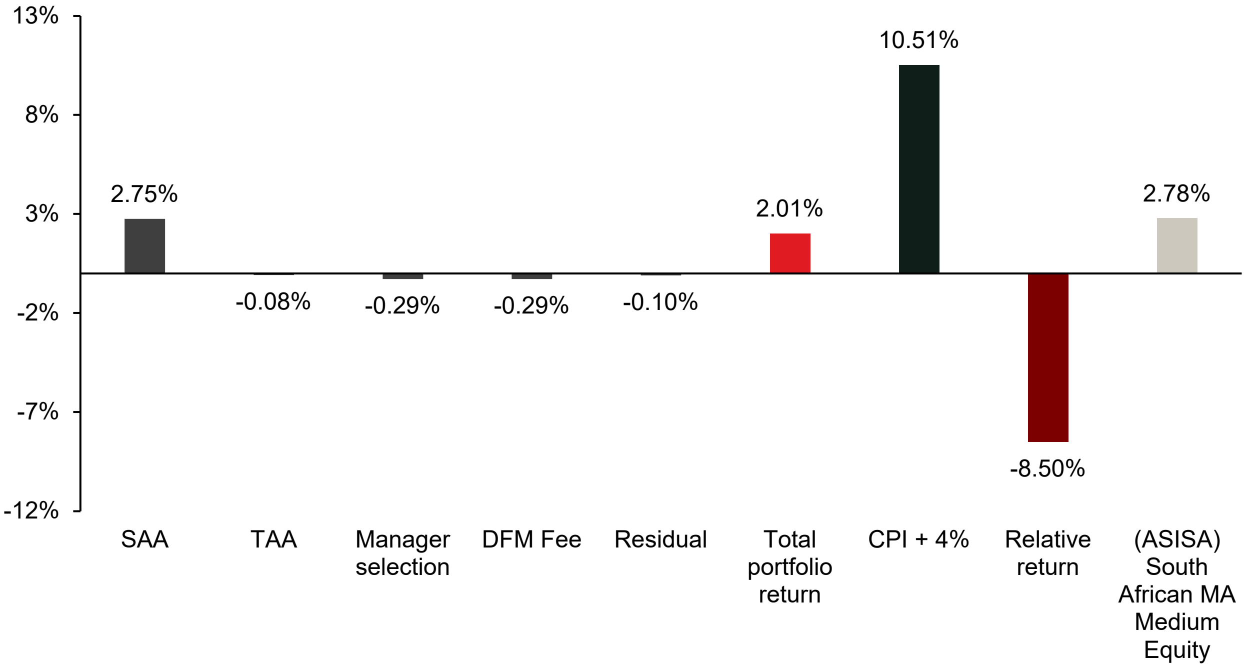


Figure 4.7: Strategic asset allocation effects: 12 months to 30 June 2022

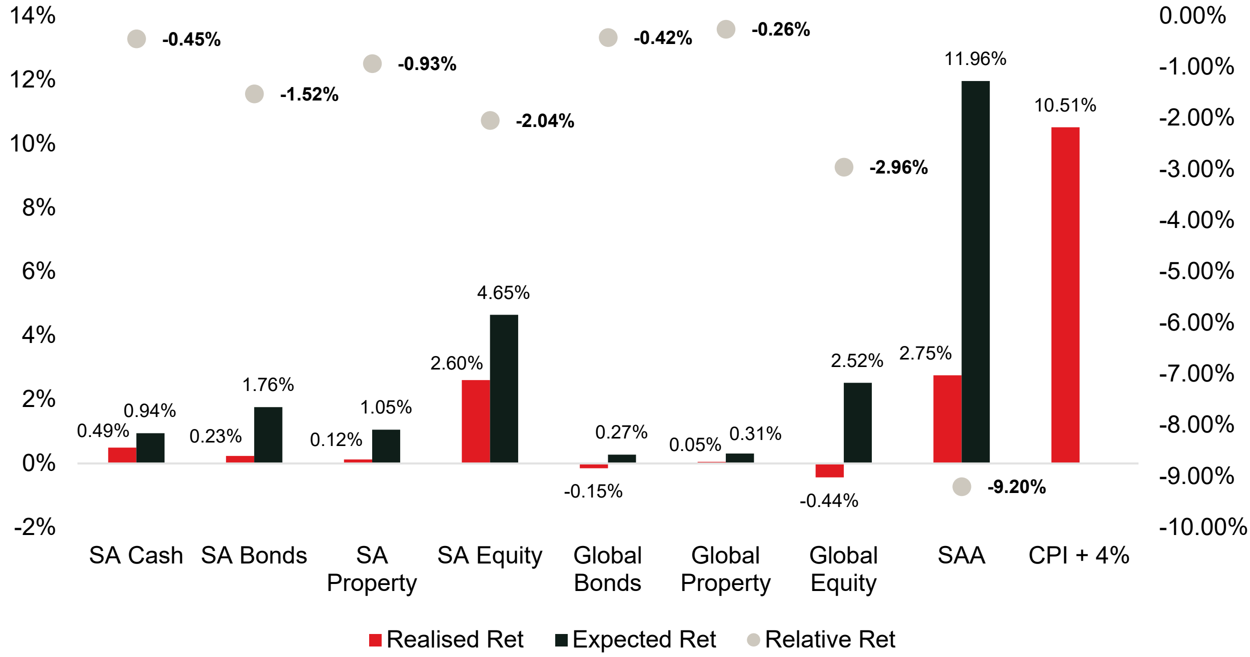


Figure 4.8: Tactical asset allocation effects: 12 months to 30 June 2022

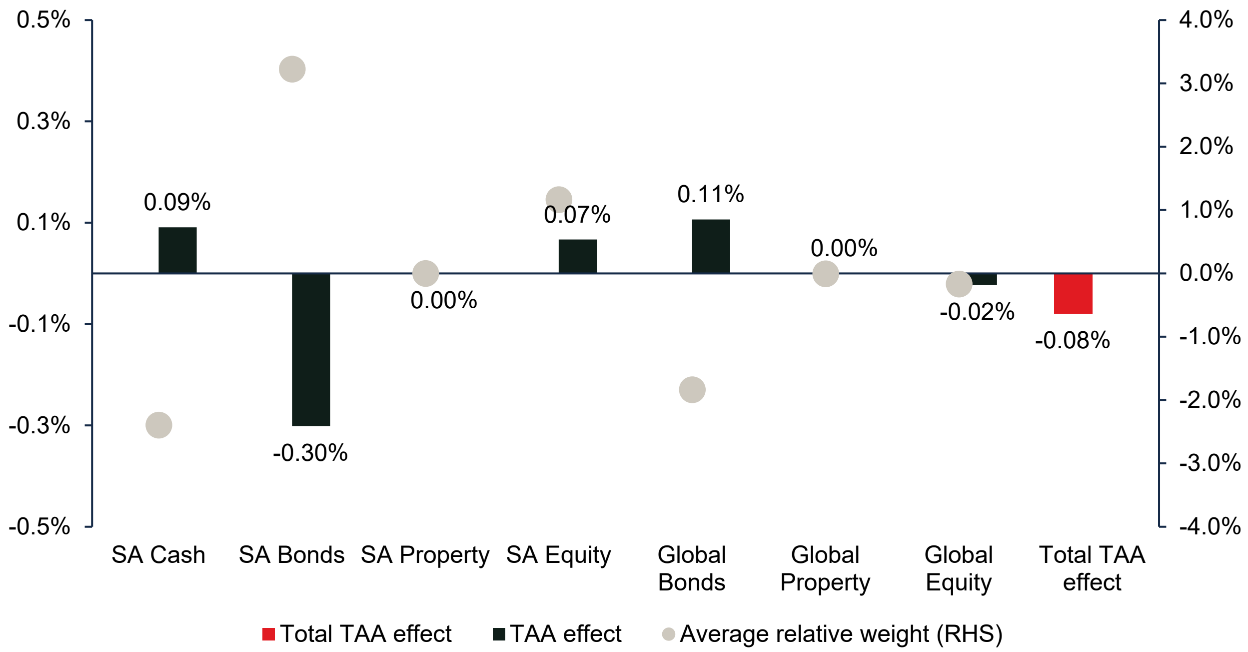


Figure 4.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

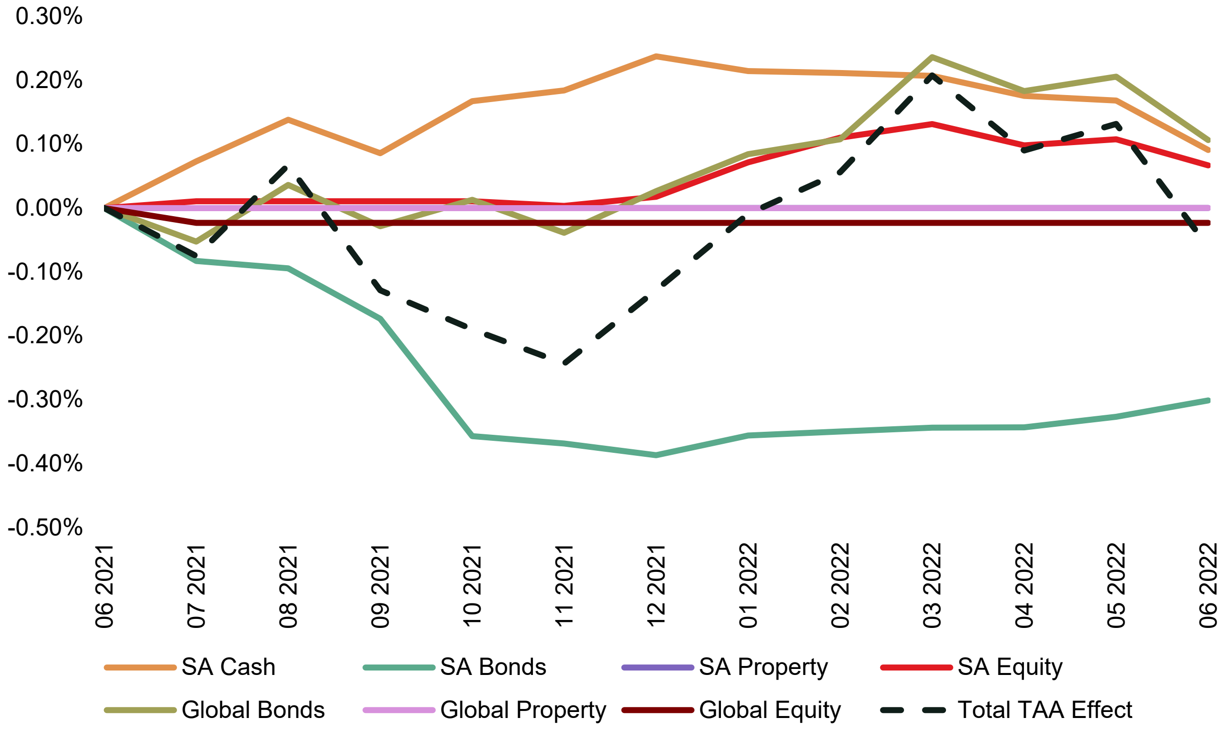


Figure 4.10: Manager selection effects: 12 months to 30 June 2022

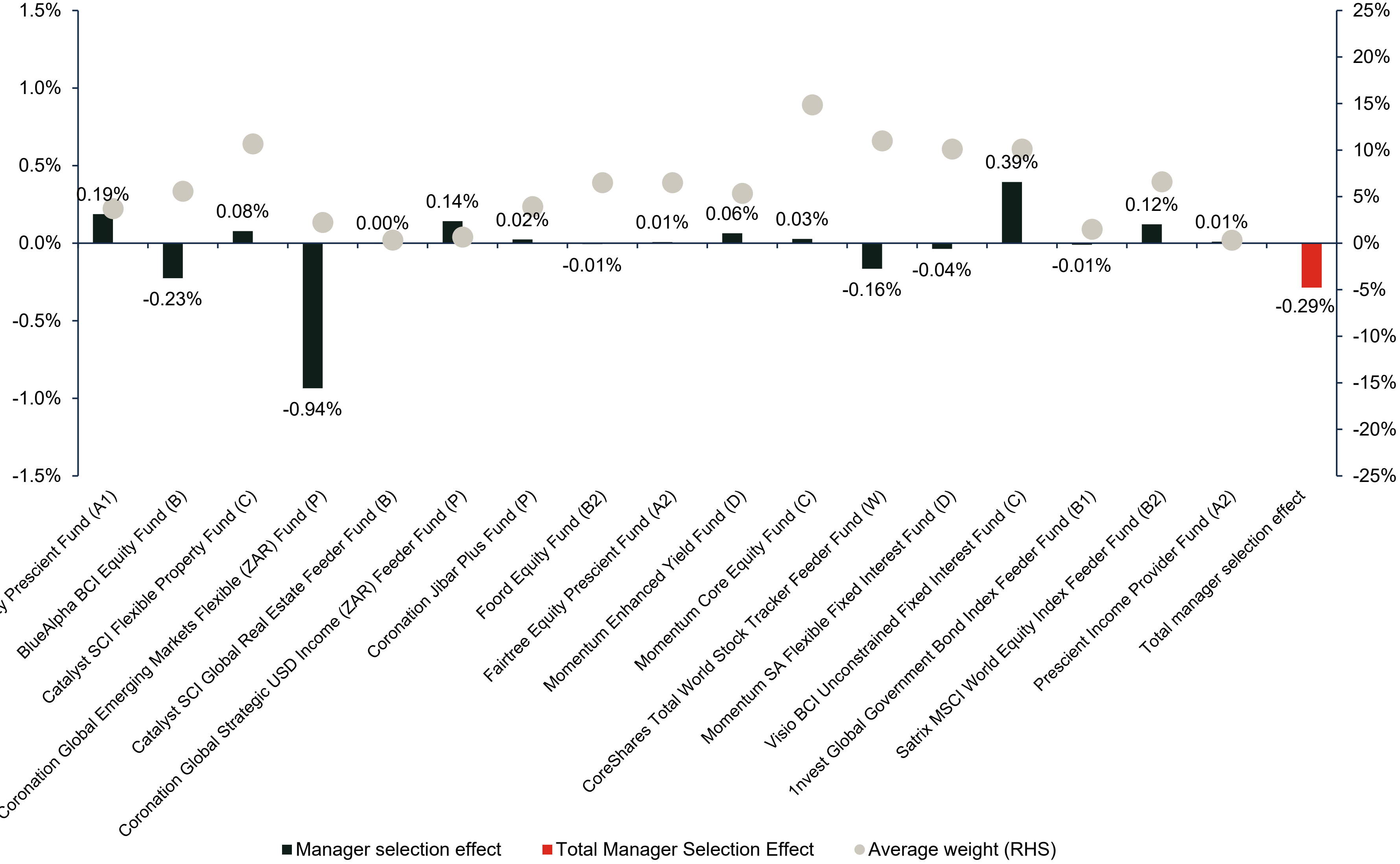
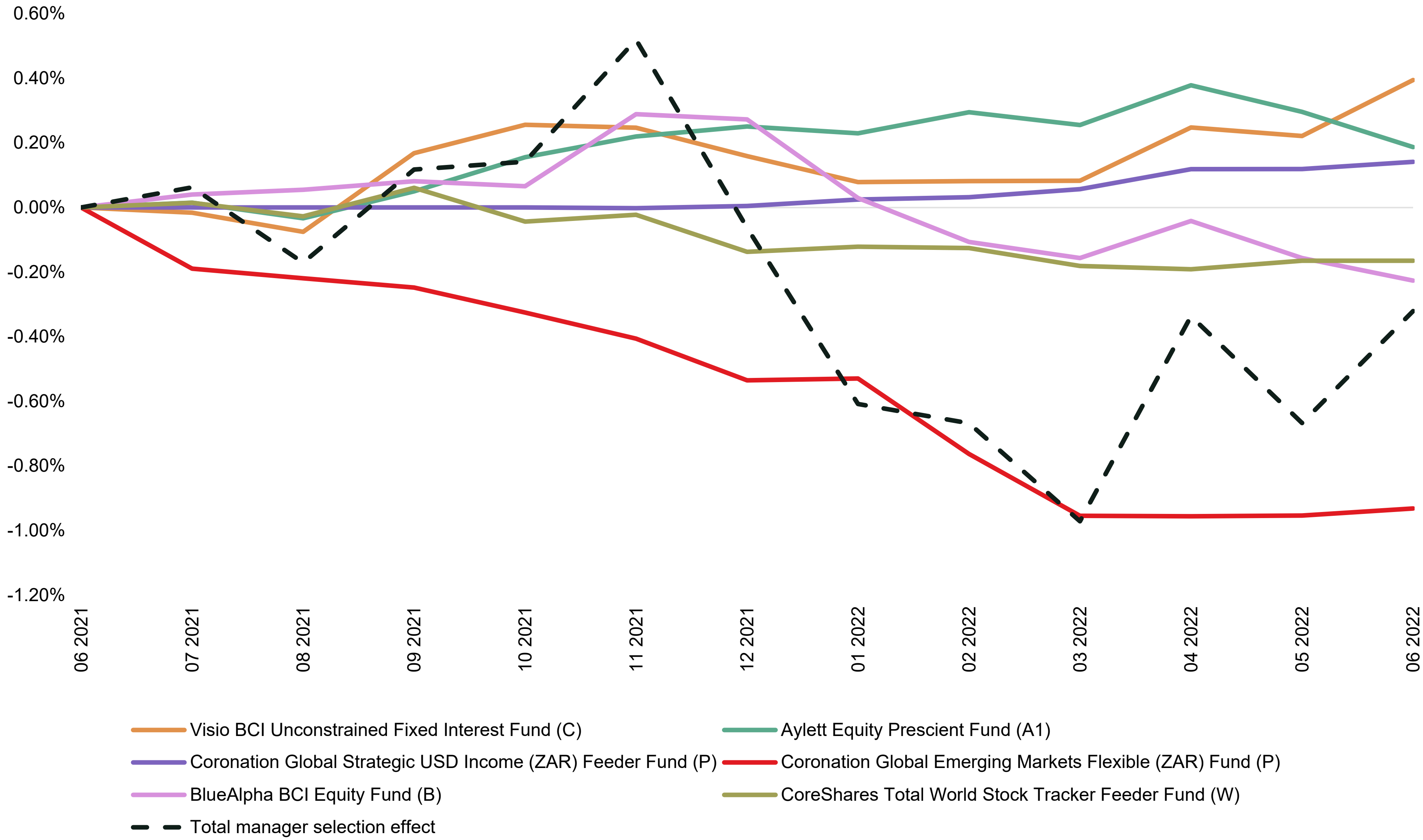


Figure 4.11: Cumulative manager selection effects: 12 months to 30 June 2022



2.5. Equilibrium Balanced Portfolio

Investment goal: **CPI + 5%**
Time horizon: **6-years**

2.5.1. Returns

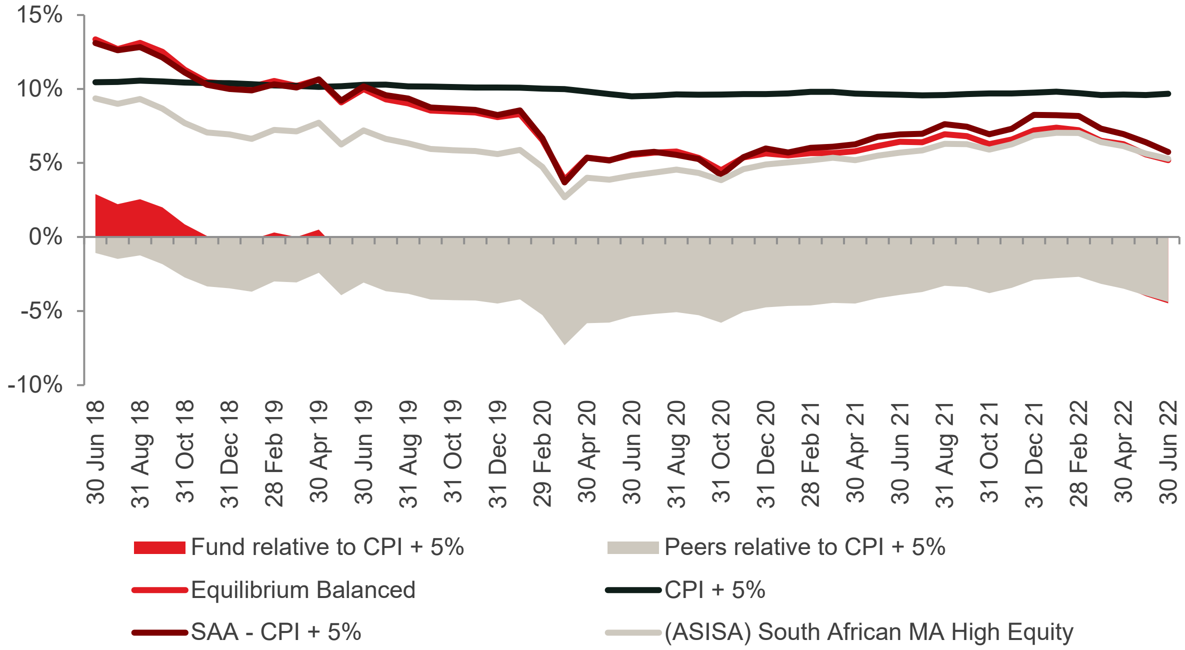
Figure 5.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Balanced	**-6.8%**	**-8.4%**	**2.0%**	**10.9%**	**6.0%**	**5.2%**	**5.9%**	**60**
Benchmark: CPI + 5%	3.4%	6.1%	11.5%	10.9%	9.5%	9.7%	9.5%	
SAA	-7.1%	-8.0%	2.9%	11.7%	6.0%	5.7%	6.5%	
(ASISA) South African MA High Equity	*-5.7%*	*-6.5%*	*2.8%*	*9.8%*	*5.8%*	*5.3%*	*6.1%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 5% benchmark by 4.5% over the 6-year period to 30 June 2022. It marginally underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.9% over the last 12 months, net of all investment related fees.

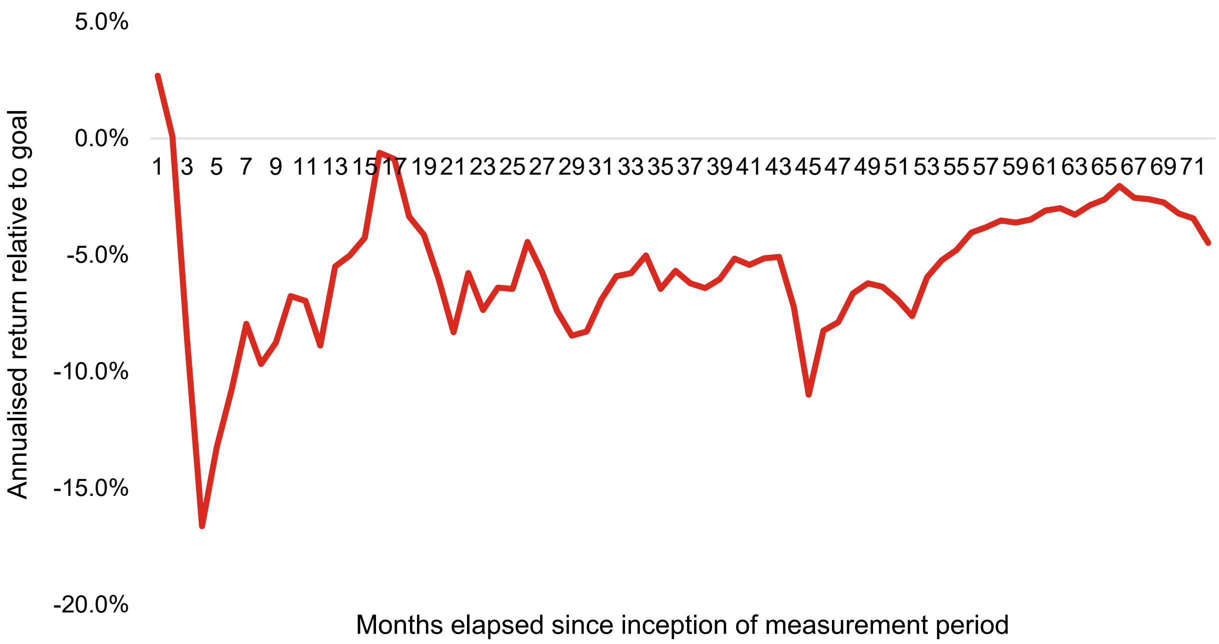
Figure 5.2: Rolling 6-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Balanced	(ASISA) South African MA High Equity
Number of observations	49	
Period outperforming	9	0
Realised probability of outperforming	**18%**	0%
Max outperformance p.a.	**2.9%**	-1.1%
Max underperformance p.a.	**-6.1%**	-7.3%

- Over the last 10 years, the portfolio outperformed its benchmark on 18% of the total rolling 6-year periods. This compares favourably with the peer group, which never outperformed over the rolling 6-year periods.

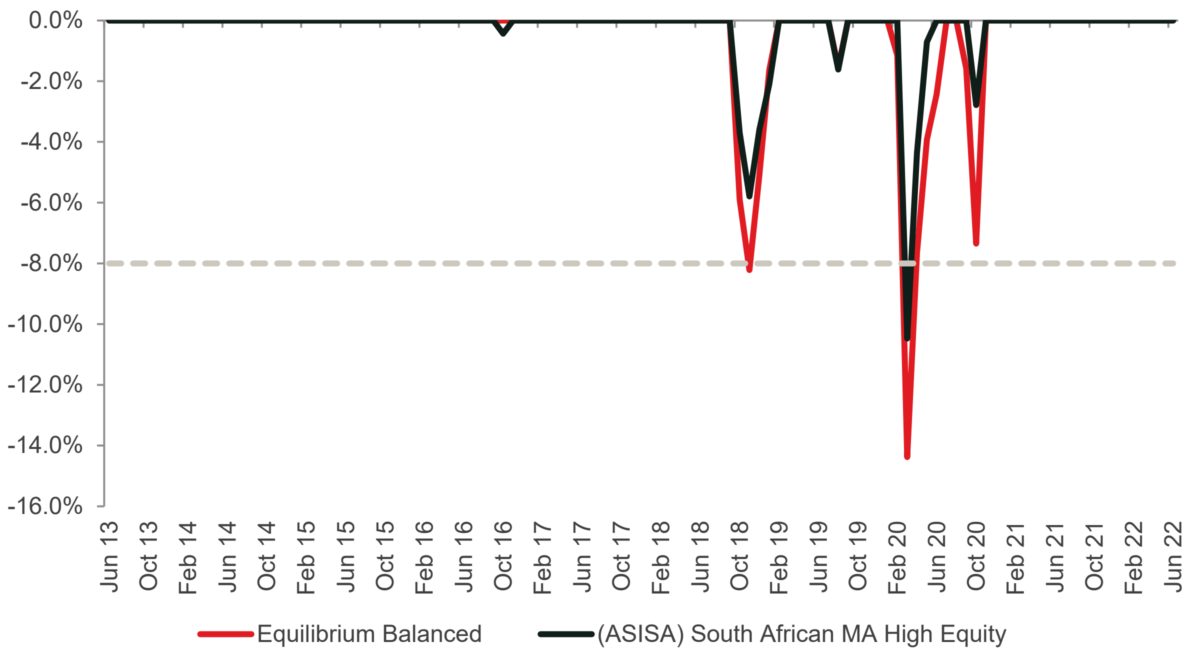
Figure 5.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 June 2022 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from growth asset classes. Subsequent to the COVID-19 crisis, the portfolio showed a strong recovery relative to its benchmark, barring the recent underperformance.

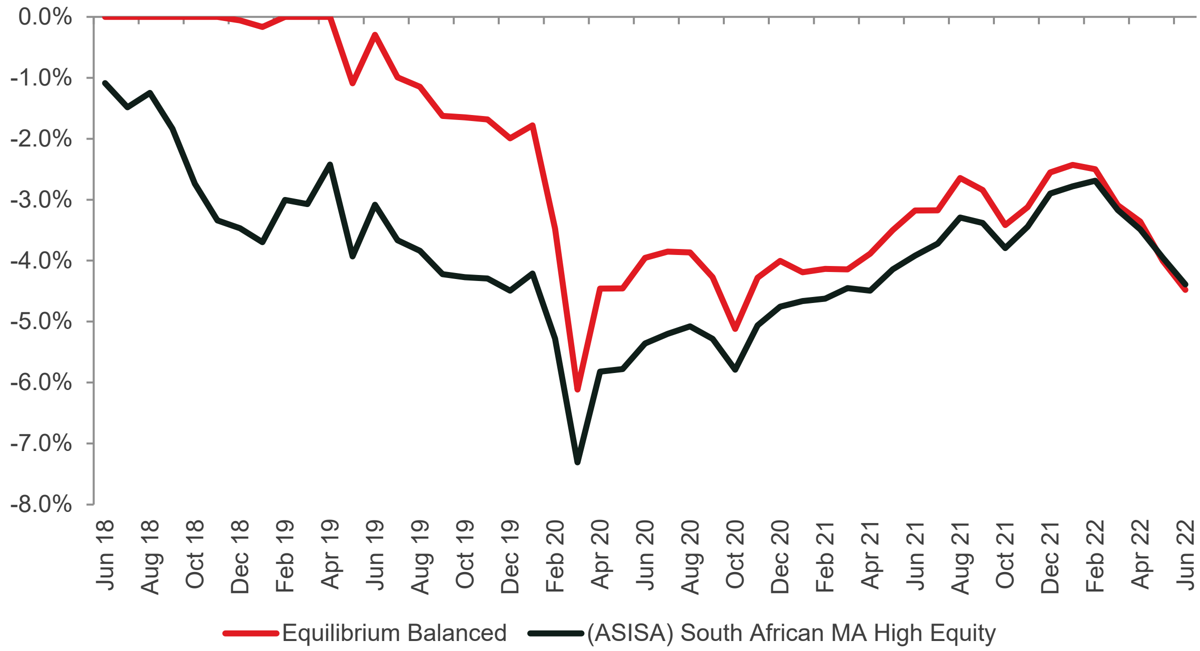
2.5.2. Risk

Figure 5.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 8% twice. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 5.5: Rolling 6-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- Even though the portfolio underperformed its benchmark over rolling 6 years, it was to a lesser extent than the peer group. The portfolio also managed to outperform CPI + 5% more consistently than the peer group.

2.5.3. Performance attribution

Figure 5.6: Total return attribution: 12 months to 30 June 2022

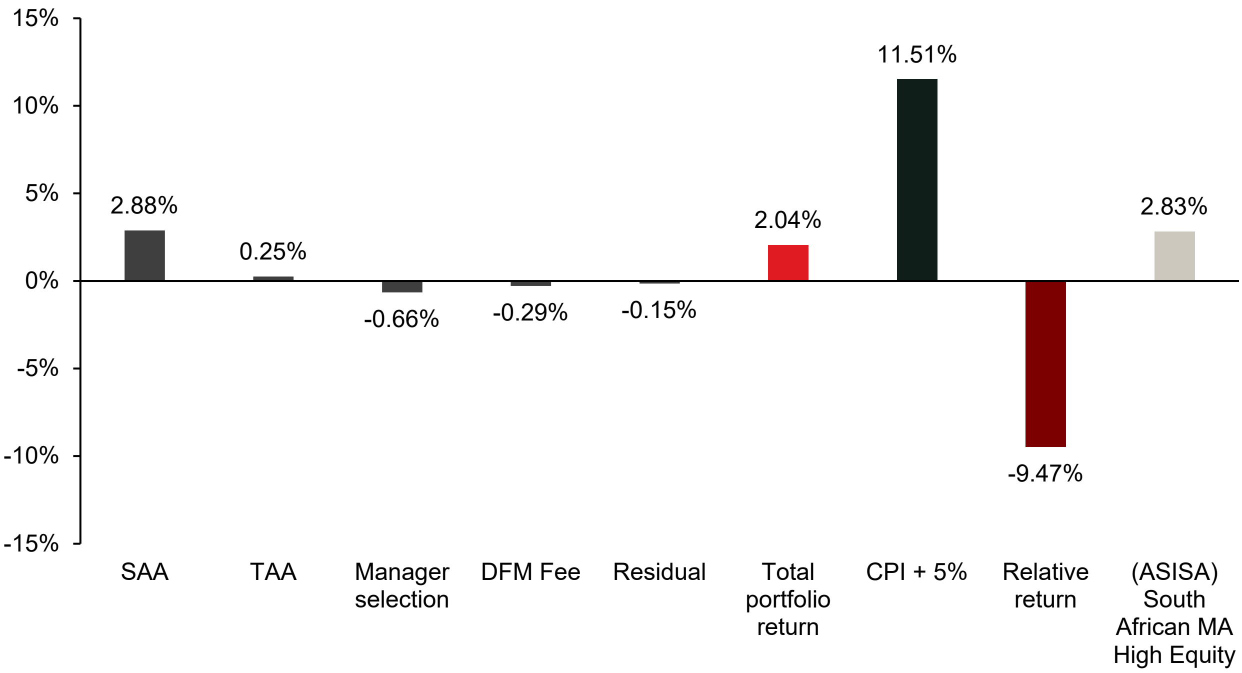


Figure 5.7: Strategic asset allocation effects: 12 months to 30 June 2022

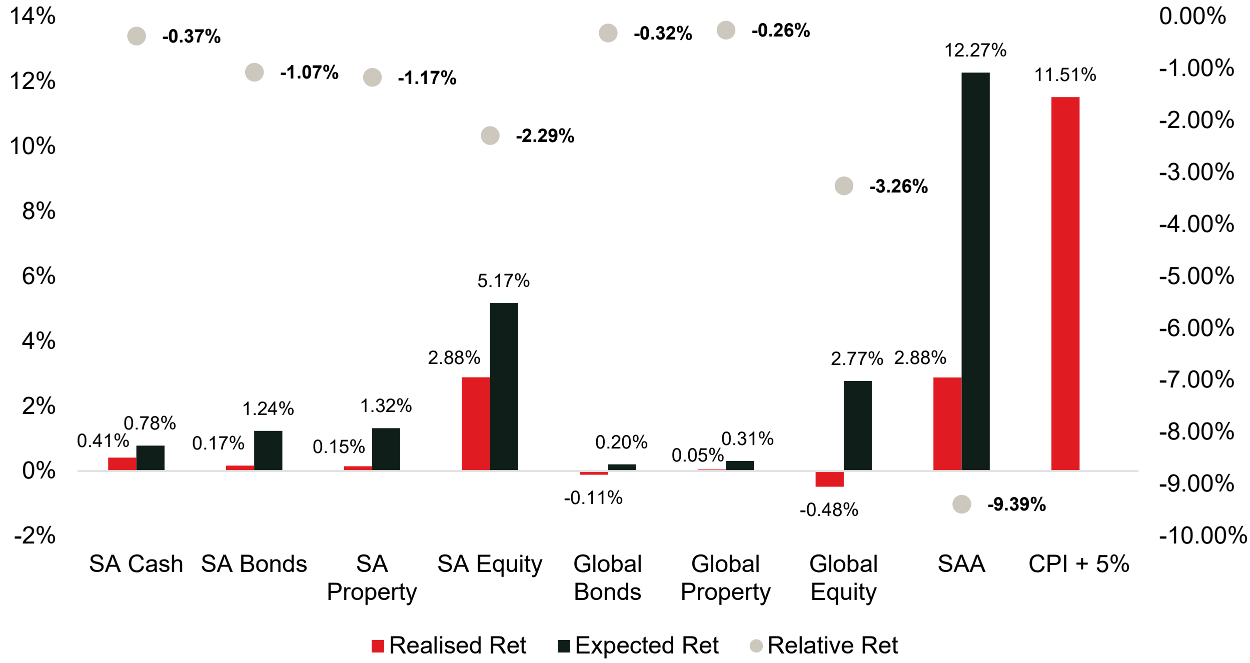


Figure 5.8: Tactical asset allocation effects: 12 months to 30 June 2022

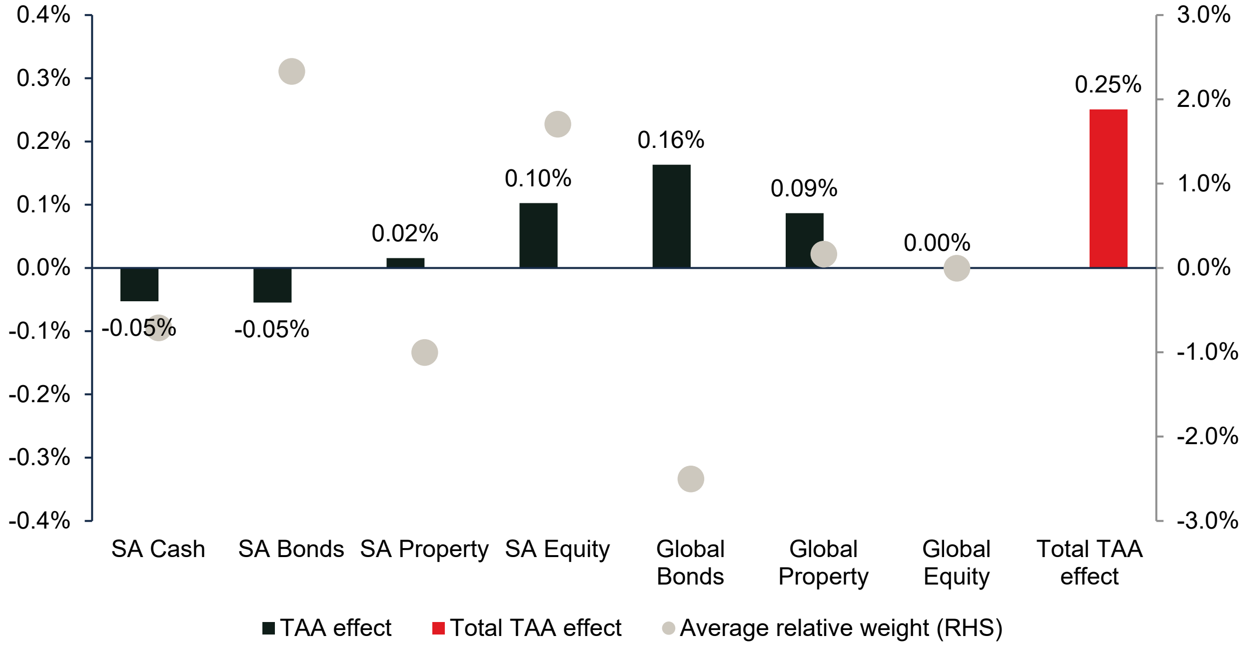


Figure 5.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

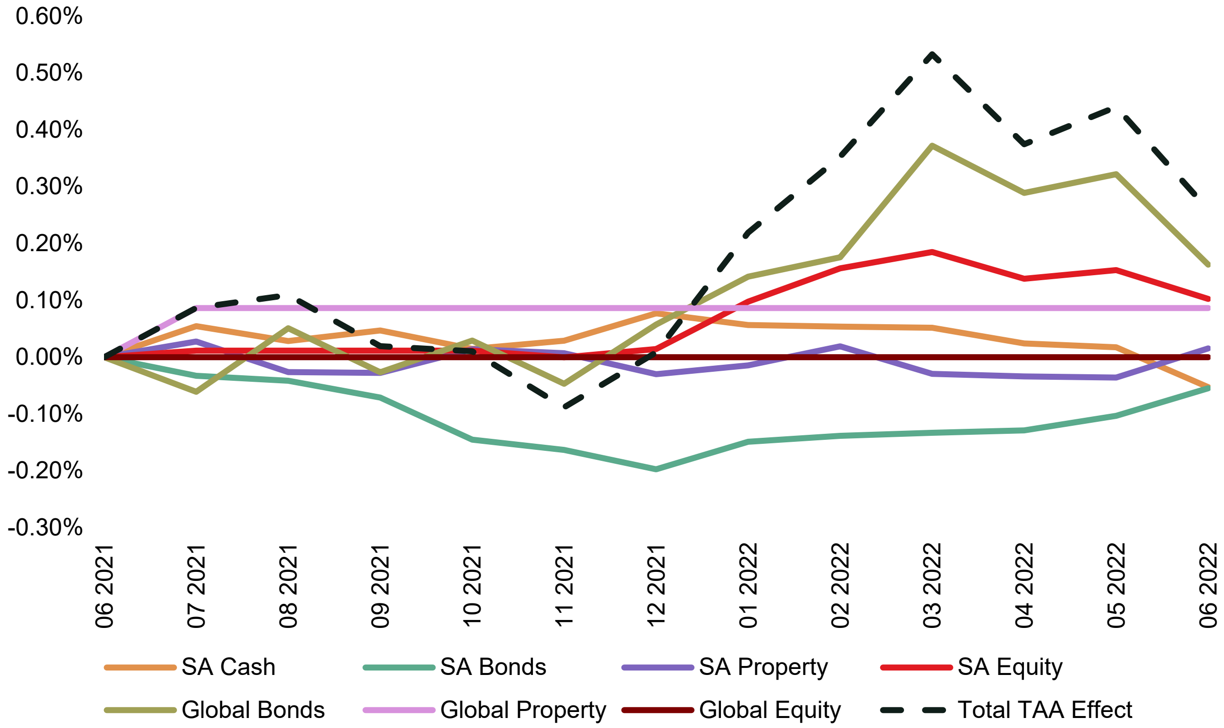


Figure 5.10: Manager selection effects: 12 months to 30 June 2022

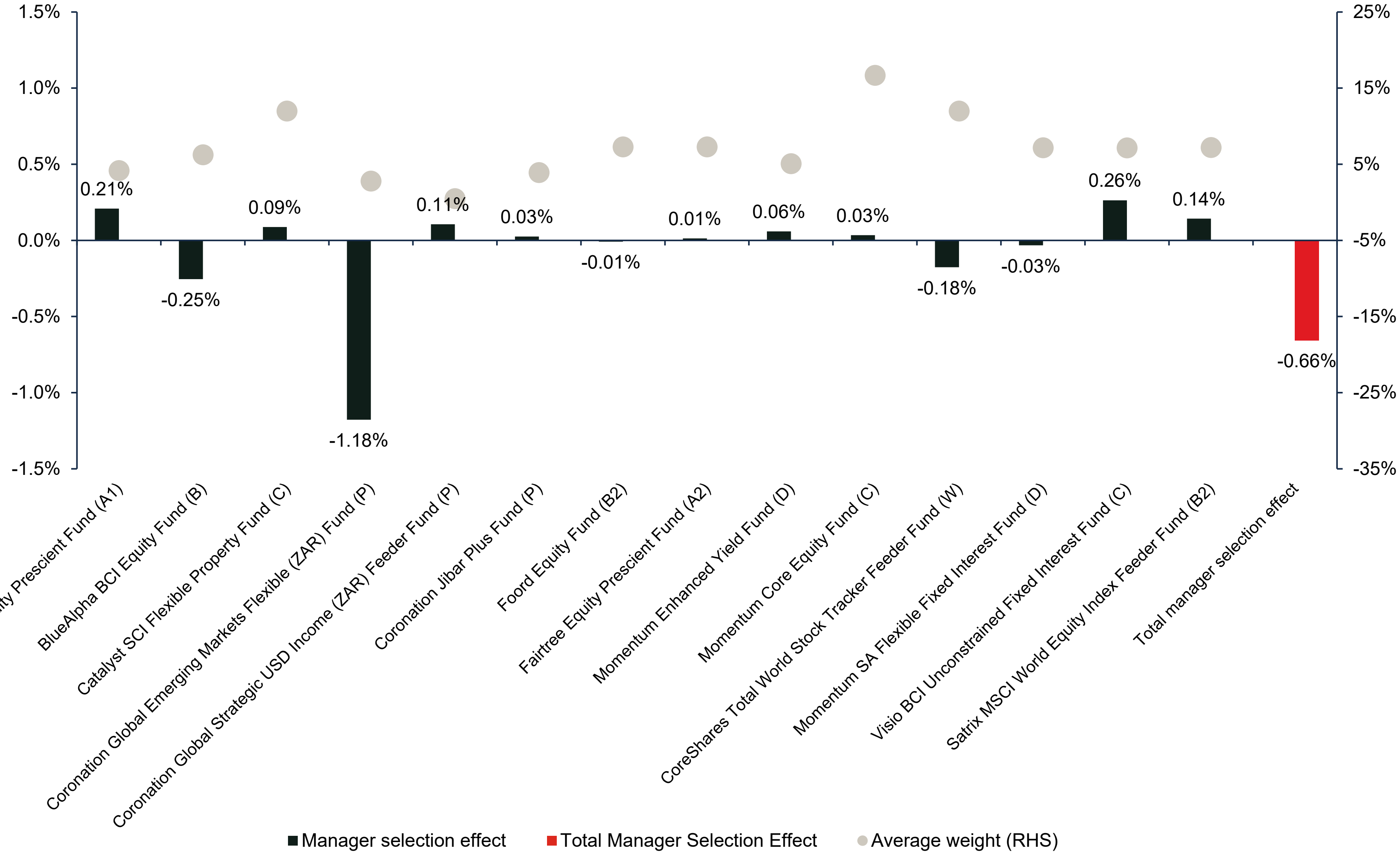
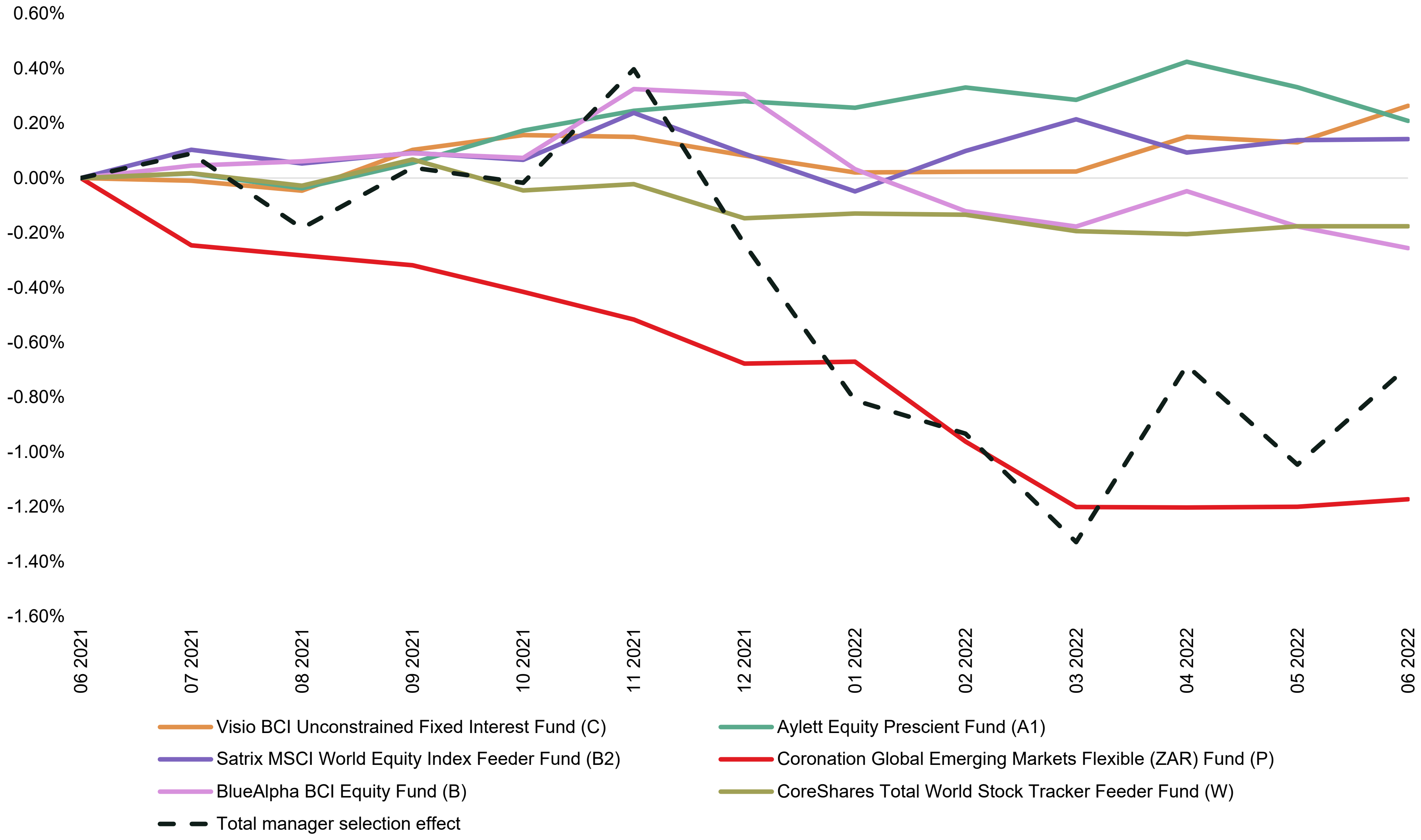


Figure 5.11: Cumulative manager selection effects: 12 months to 30 June 2022



2.6. Equilibrium Growth Portfolio

Investment goal: **CPI + 6%**
Time horizon: **7-years**

2.6.1. Returns

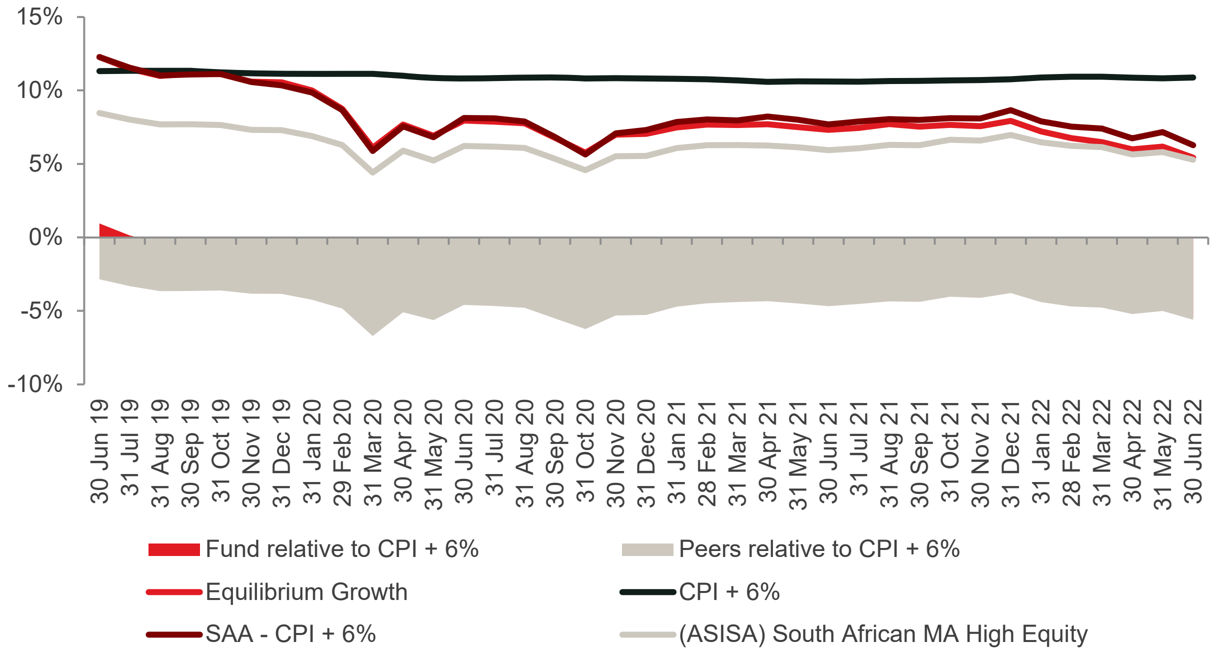
Figure 6.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Growth	-7.7%	**-9.3%**	**1.5%**	**5.8%**	**5.6%**	**5.4%**	**5.6%**	**60**
Benchmark: CPI + 6%	3.7%	6.6%	12.5%	10.6%	10.5%	10.9%	10.5%	
SAA	-8.1%	-9.0%	2.9%	6.1%	6.6%	6.3%	6.6%	
(ASISA) South African MA High Equity	*-5.7%*	*-6.5%*	*2.8%*	*6.6%*	*6.1%*	*5.3%*	*6.1%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 6% benchmark by 5.5% p.a. over the 7-year period to 30 June 2022. It marginally outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.4% over the last 12 months, net of all investment related fees.

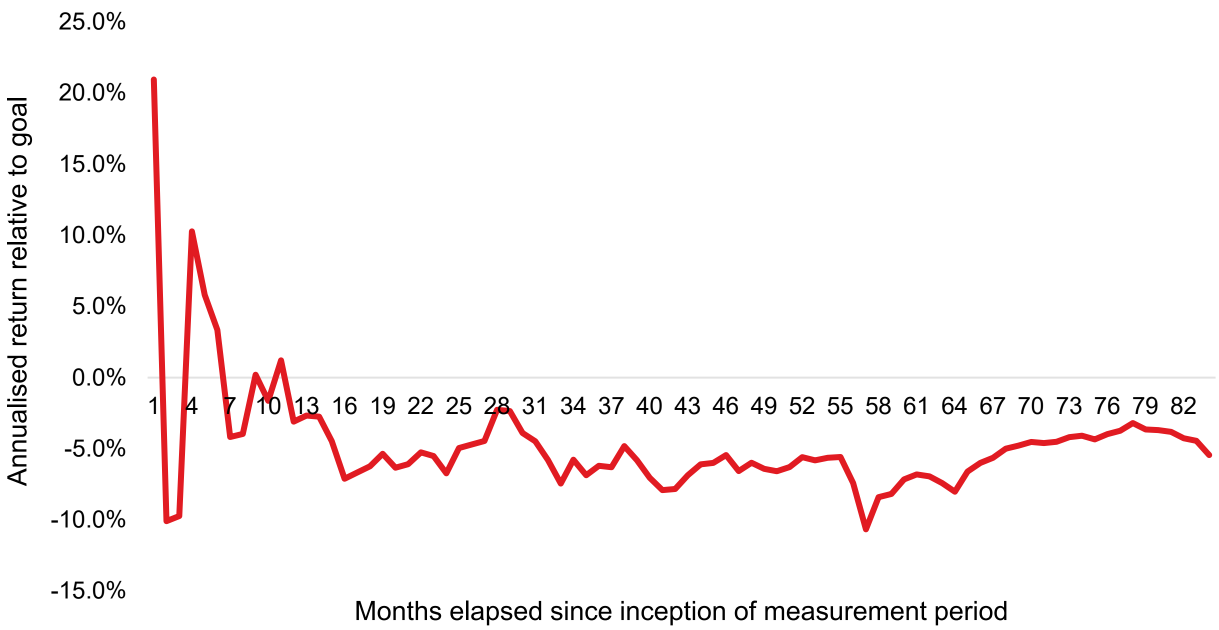
Figure 6.2: Rolling 7-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Growth	(ASISA) South African MA High Equity
Number of observations	37	
Period outperforming	2	0
Realised probability of outperforming	**5%**	0%
Max outperformance p.a.	**1.0%**	-2.8%
Max underperformance p.a.	**-5.4%**	-6.7%

- Over the last 10-years, the portfolio outperformed its benchmark on 5% of the total rolling 7-year periods. This compares favourably with the peer group, which never outperformed over the rolling 7-year periods.

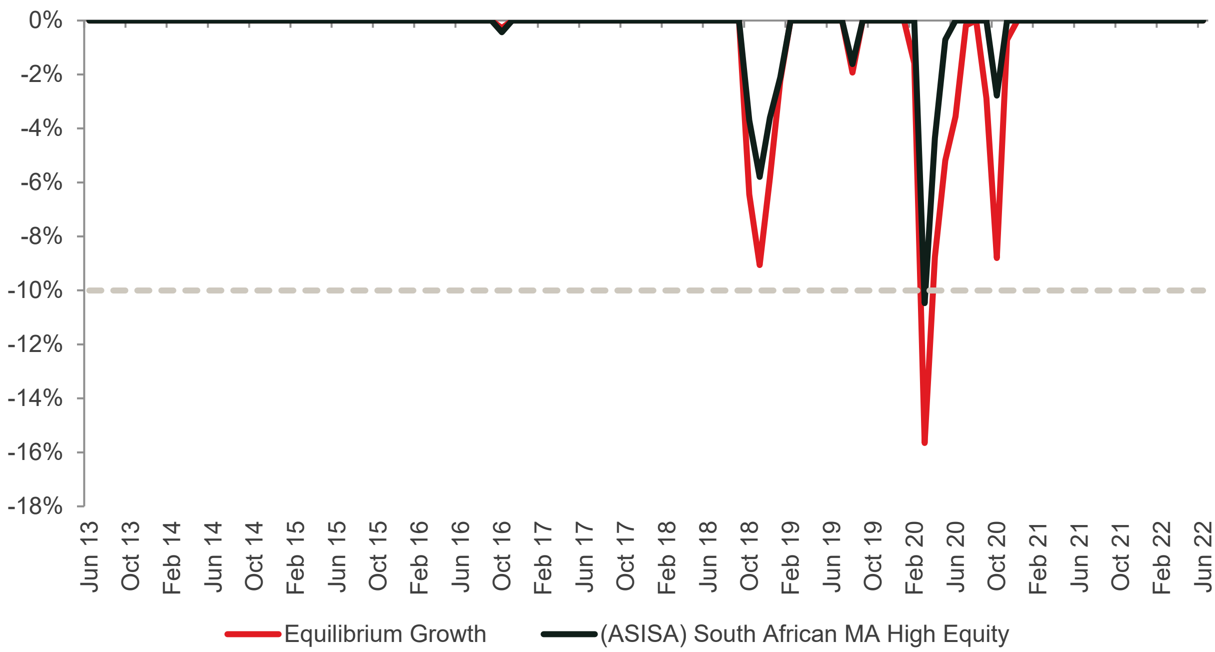
Figure 6.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 June 2022 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from growth asset classes. Subsequent to the COVID-19 crisis, the portfolio showed a strong recovery relative to its benchmark, barring the recent underperformance.

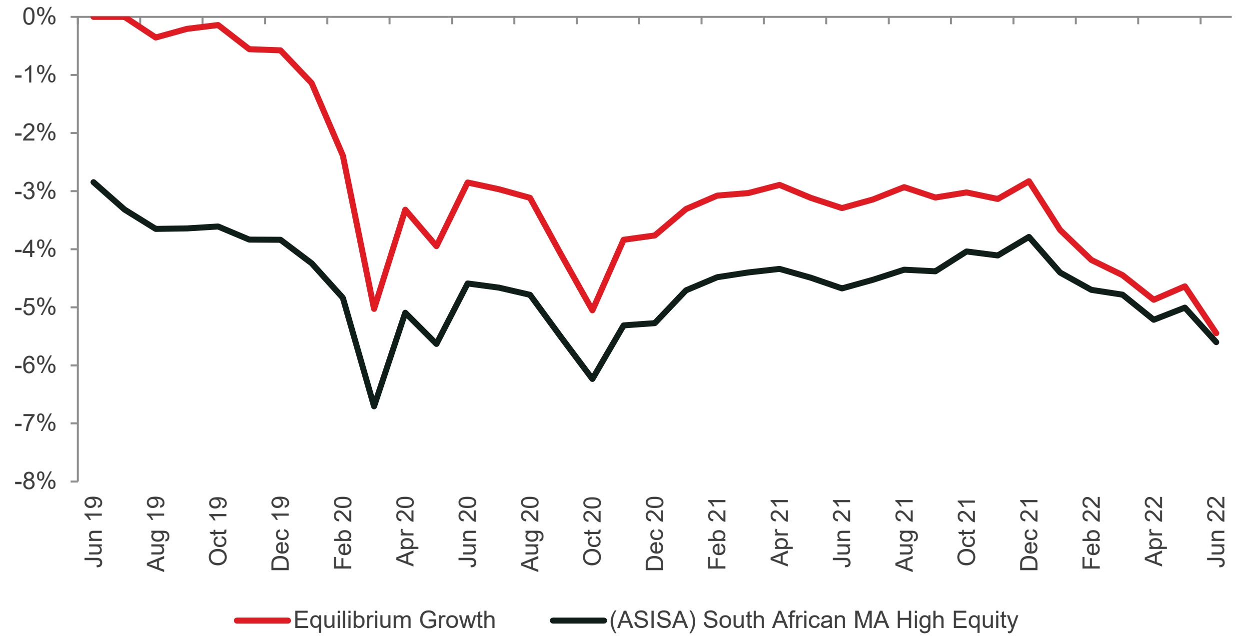
2.6.2. Risk

Figure 6.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 10% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 6.5: Rolling 7-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- Even though the portfolio underperformed its benchmark over rolling 7 years, it was to a lesser extent than the peer group. The portfolio also managed to outperform CPI + 6% more consistently than the peer group.

2.6.3. Performance attribution

Figure 6.6: Total return attribution: 12 months to 30 June 2022

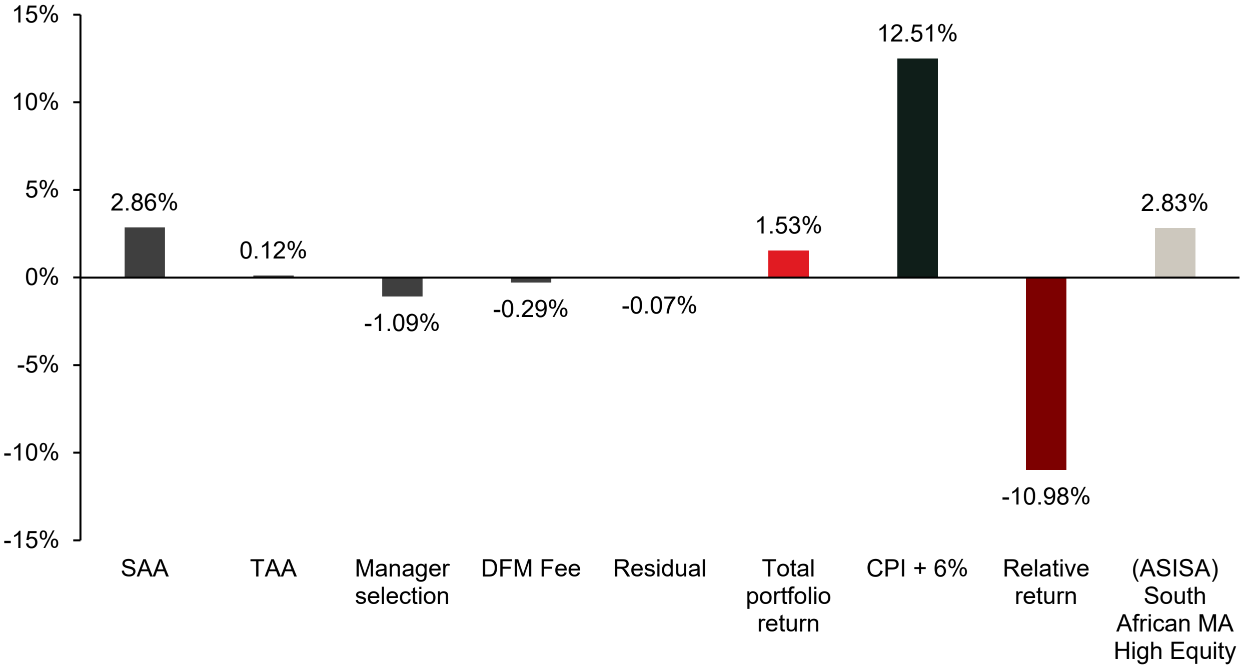


Figure 6.7: Strategic asset allocation effects: 12 months to 30 June 2022

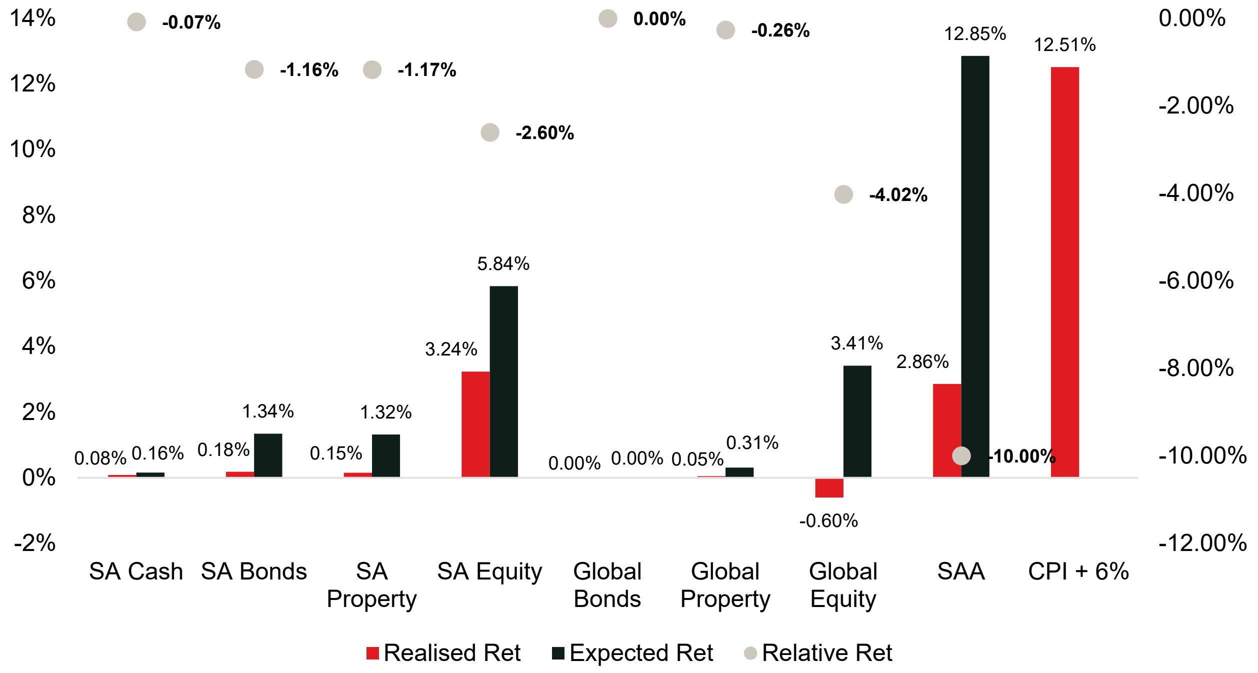


Figure 6.8: Tactical asset allocation effects: 12 months to 30 June 2022

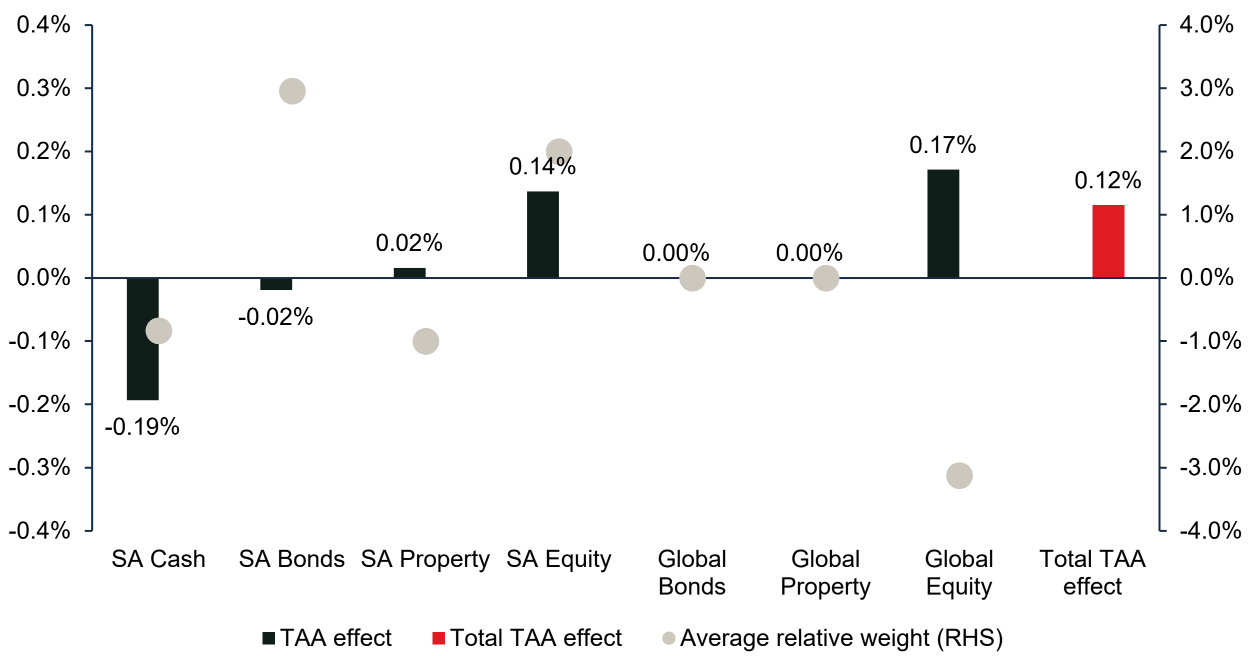


Figure 6.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

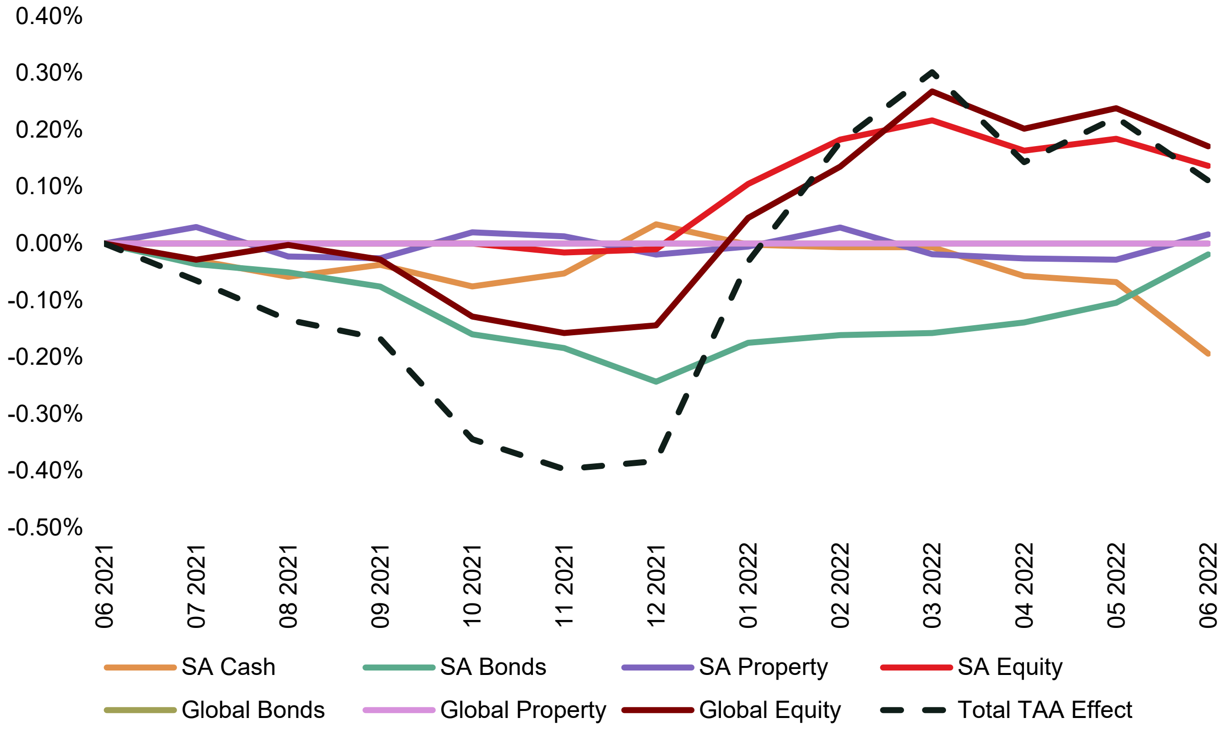


Figure 6.10: Manager selection effects: 12 months to 30 June 2022

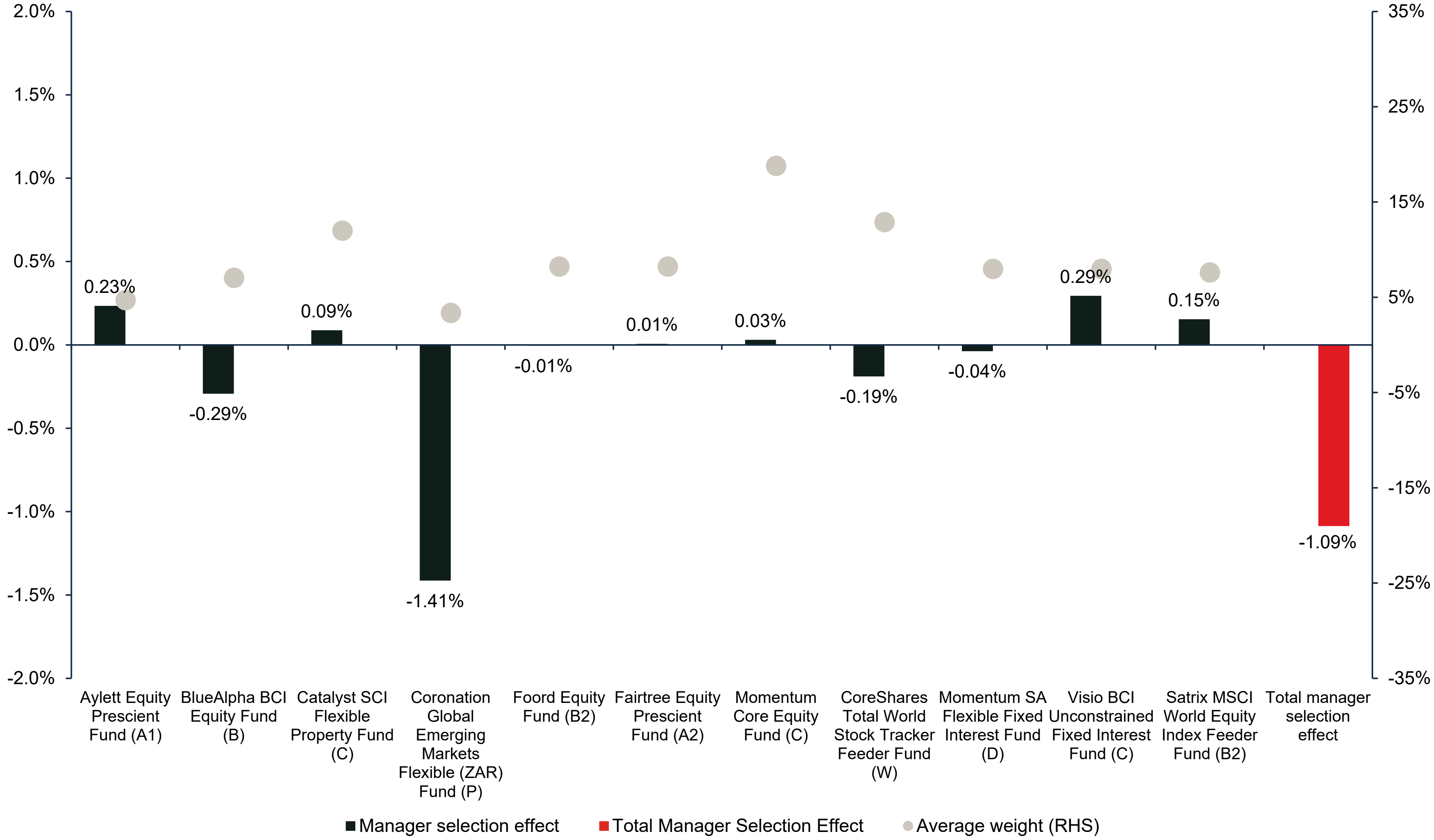
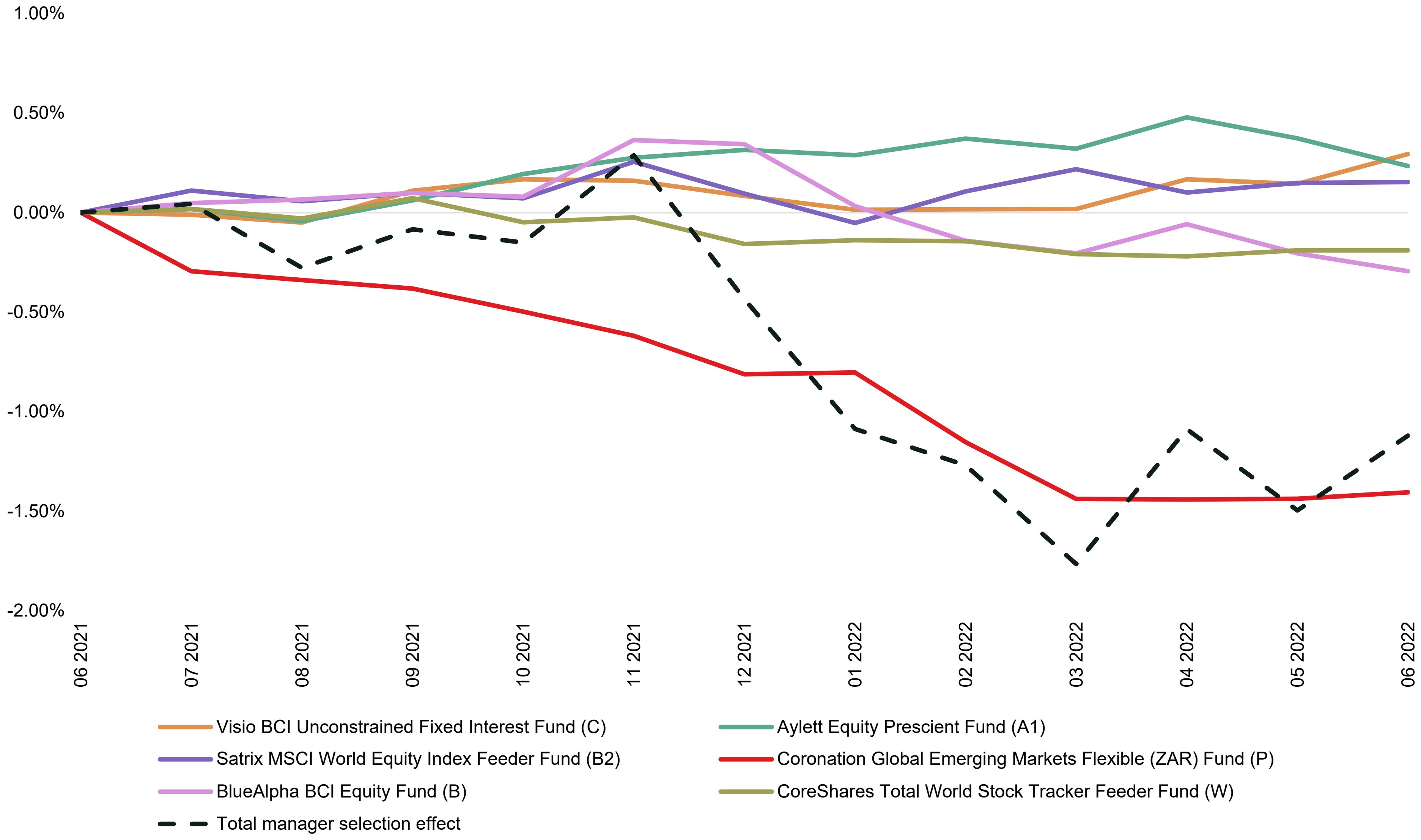


Figure 6.11: Cumulative manager selection effects: 12 months to 30 June 2022



2.7. Equilibrium Unconstrained Portfolio

Investment goal: **CPI + 6%**
Time horizon: **7-years**

2.7.1. Returns

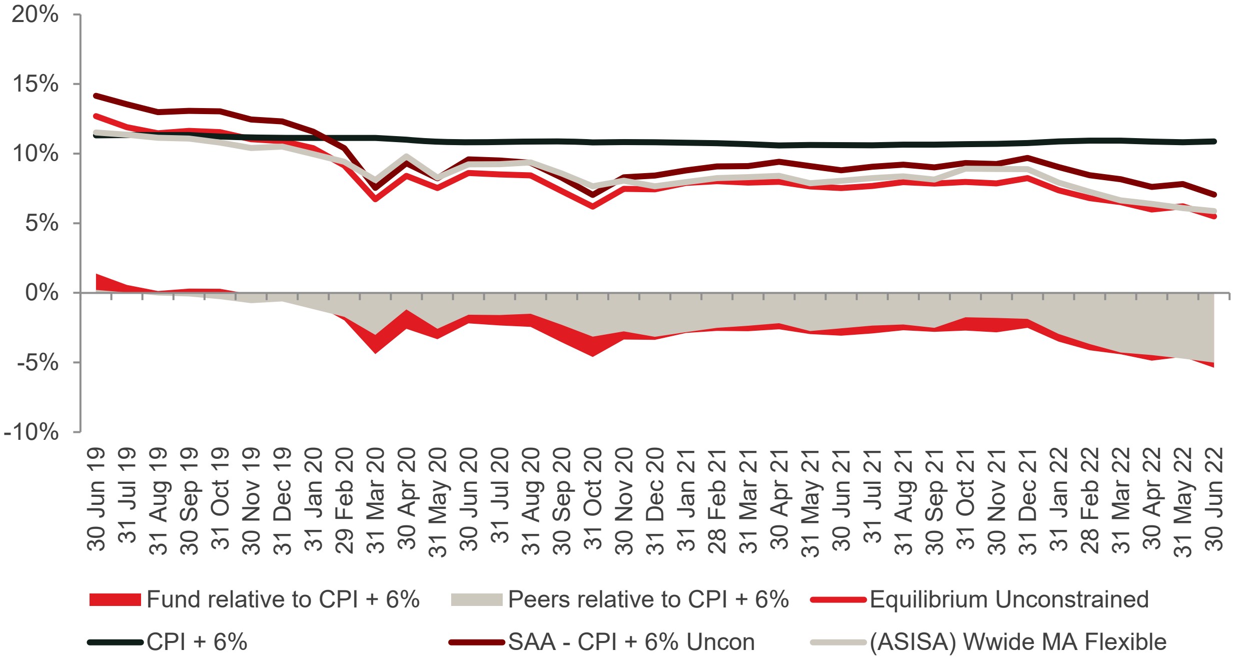
Figure 7.1: Trailing returns as at 30 June 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Unconstrained	-7.6%	-10.4%	0.9%	6.3%	6.0%	5.5%	6.0%	60
Benchmark: CPI + 6%	3.7%	6.6%	12.5%	10.6%	10.5%	10.9%	10.5%	
SAA	-7.7%	-9.6%	2.4%	6.7%	7.0%	7.1%	7.0%	
(ASISA) Wwide MA Flexible	*-4.8%*	*-12.9%*	*-3.4%*	*6.3%*	*6.2%*	*5.9%*	*6.2%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 6% benchmark by 5.4% p.a. over the 7-year period to 30 June 2022. It also underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.5% over the last 12 months, net of all investment related fees.

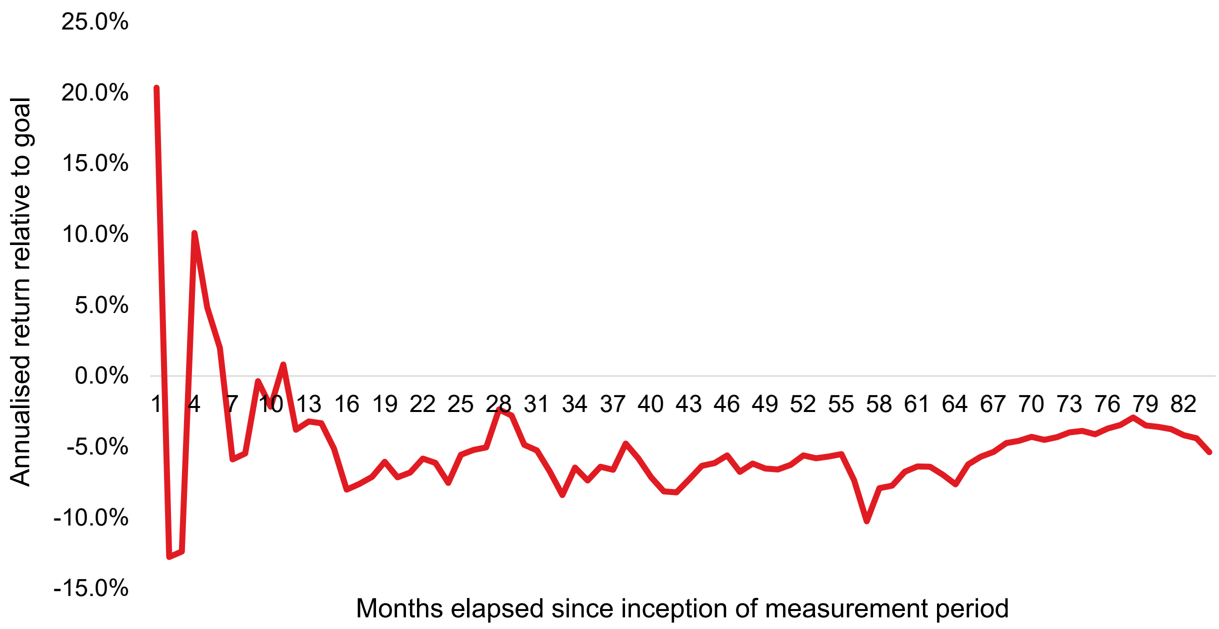
Figure 7.2: Rolling 7-year returns ann.: 10 years to 30 June 2022 *



	Equilibrium Unconstrained	(ASISA) Wwide MA Flexible
Number of observations	37	
Period outperforming	5	2
Realised probability of outperforming	14%	5%
Max outperformance p.a.	1.4%	0.2%
Max underperformance p.a.	-5.4%	-5.0%

- Over the last 10 years, the portfolio outperformed its benchmark on 14% of the total rolling 7-year periods. This compares favourably with the peer group, which only managed to outperform on 5% of the rolling 7-year periods.

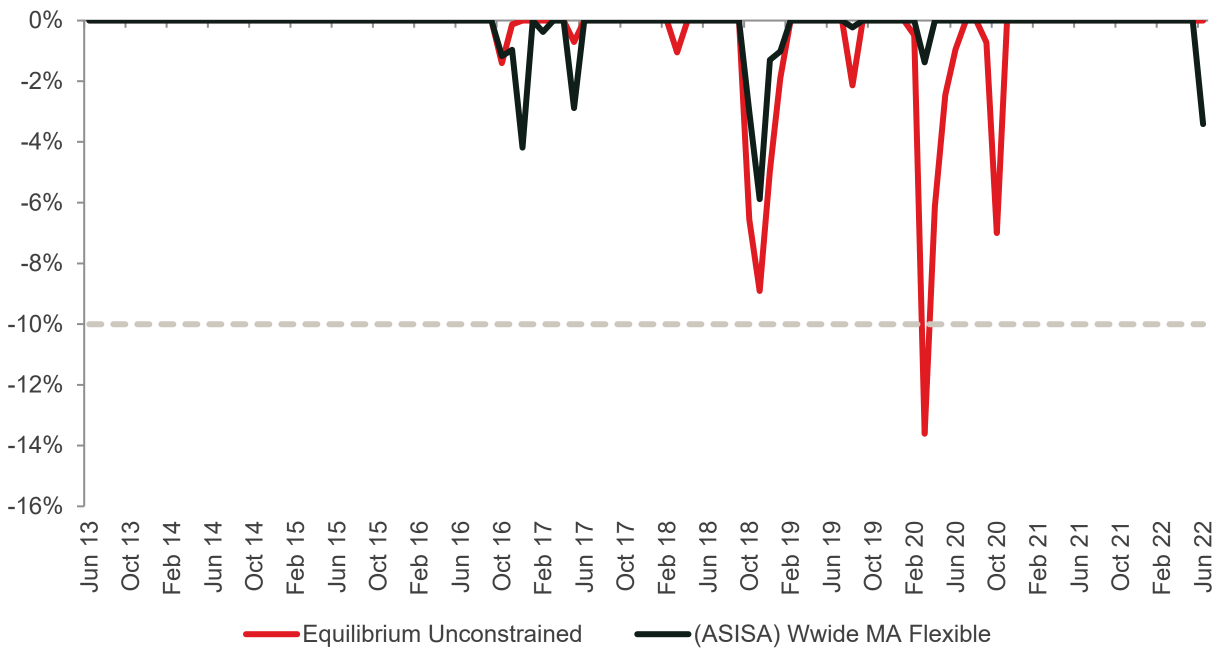
Figure 7.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 June 2022 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from growth asset classes. Subsequent to the COVID-19 crisis, the portfolio showed a strong recovery relative to its benchmark, barring the recent underperformance.

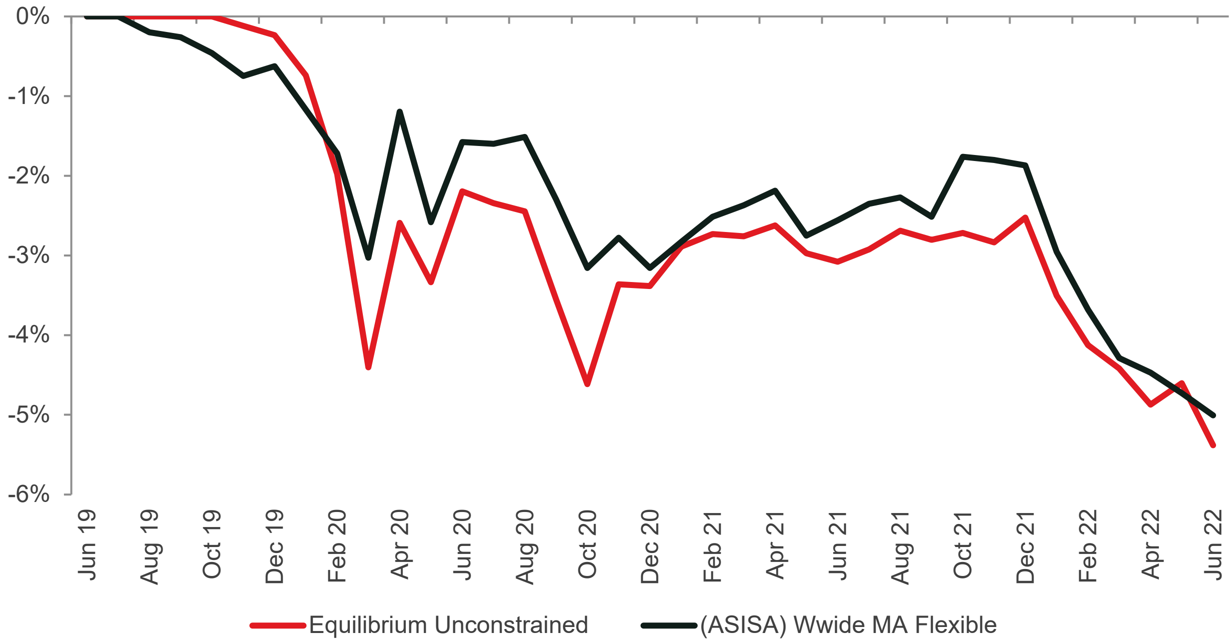
2.7.2. Risk

Figure 7.4: Rolling 1-year absolute drawdown: 10 years to 30 June 2022*



- The portfolio breached the acceptable drawdown level of 10% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

Figure 7.5: Rolling 7-year drawdown ann. relative to goal: 10 years to 30 June 2022*



- The portfolio's underperformance relative to the benchmark has been greater than the peer group post the COVID-19 crisis. This is primarily due to the peer group's higher average global allocation. It is important to note however that, while this is the appropriate peer group based on the portfolio's asset allocation, the profile of returns is not particularly relevant.

2.7.3. Performance attribution

Figure 7.6: Total return attribution: 12 months to 30 June 2022

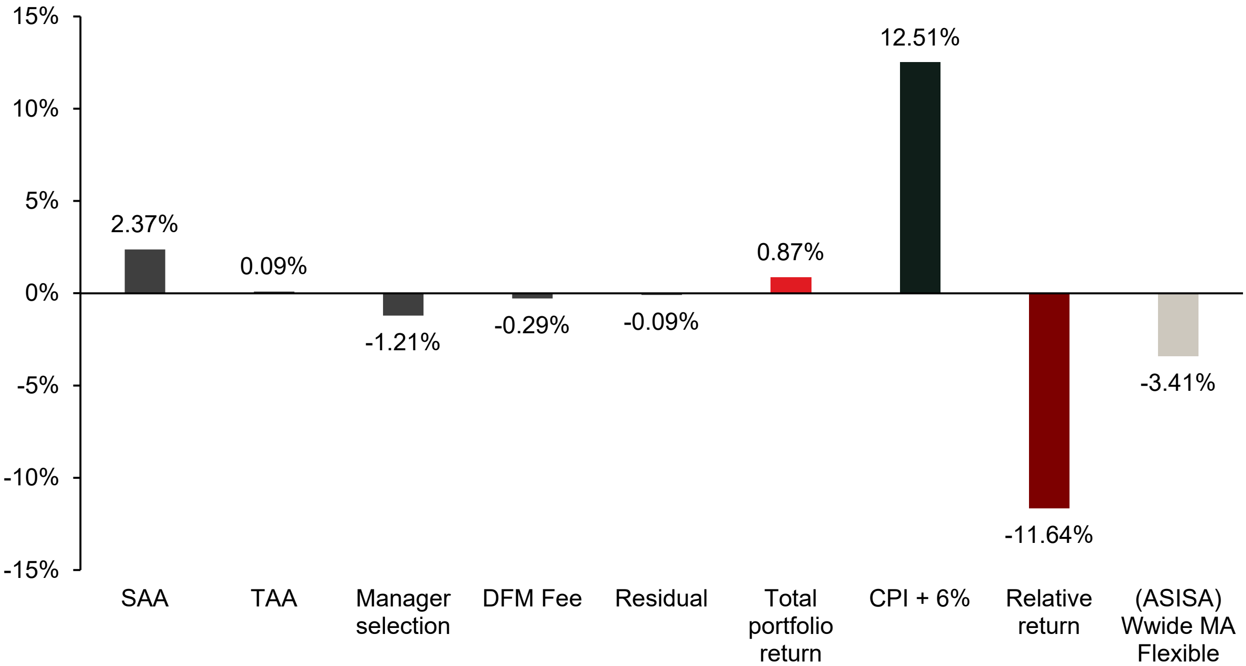


Figure 7.7: Strategic asset allocation effects: 12 months to 30 June 2022

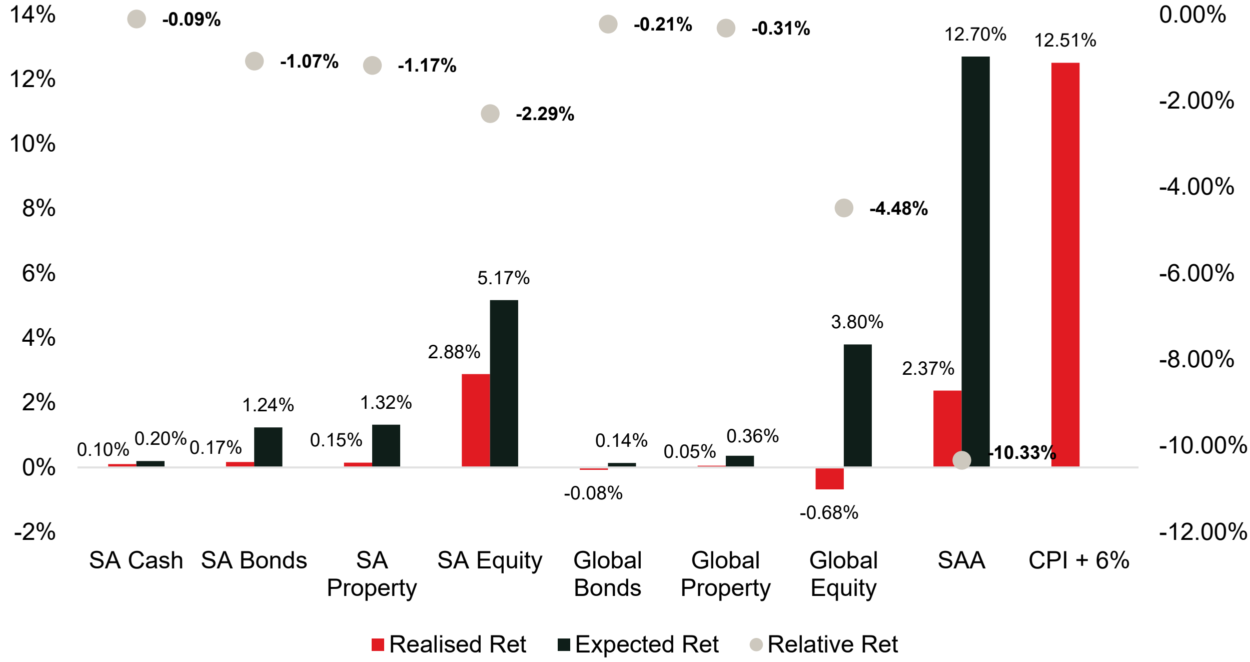


Figure 7.8: Tactical asset allocation effects: 12 months to 30 June 2022

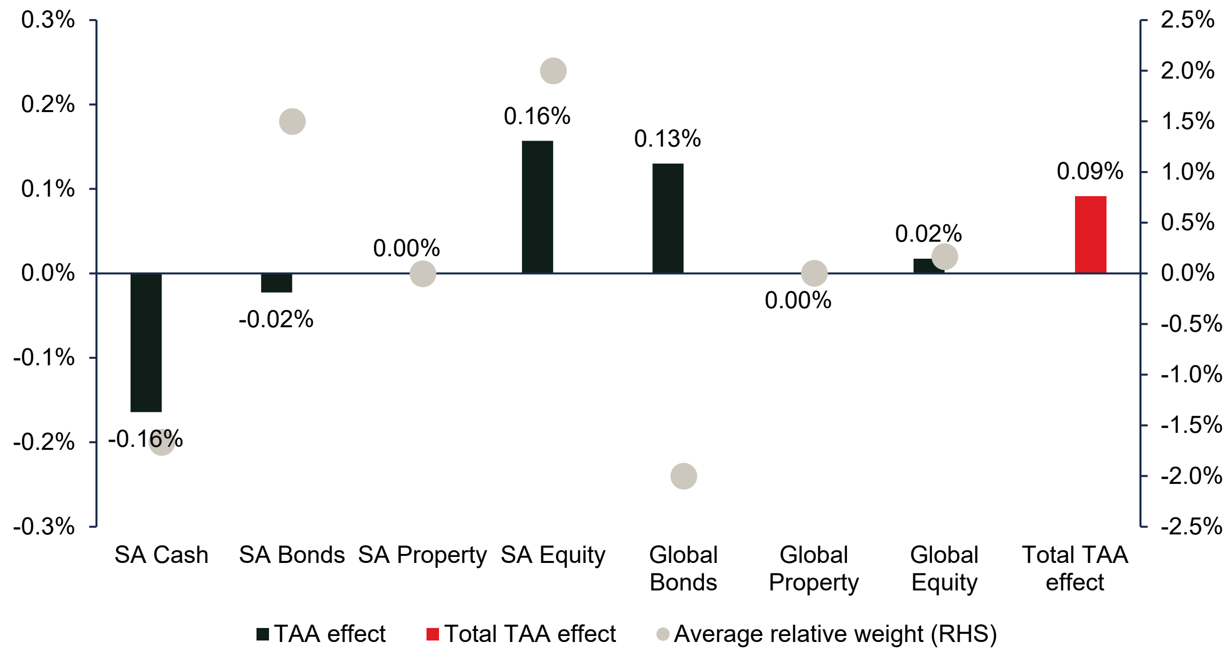


Figure 7.9: Cumulative tactical asset allocation effects: 12 months to 30 June 2022

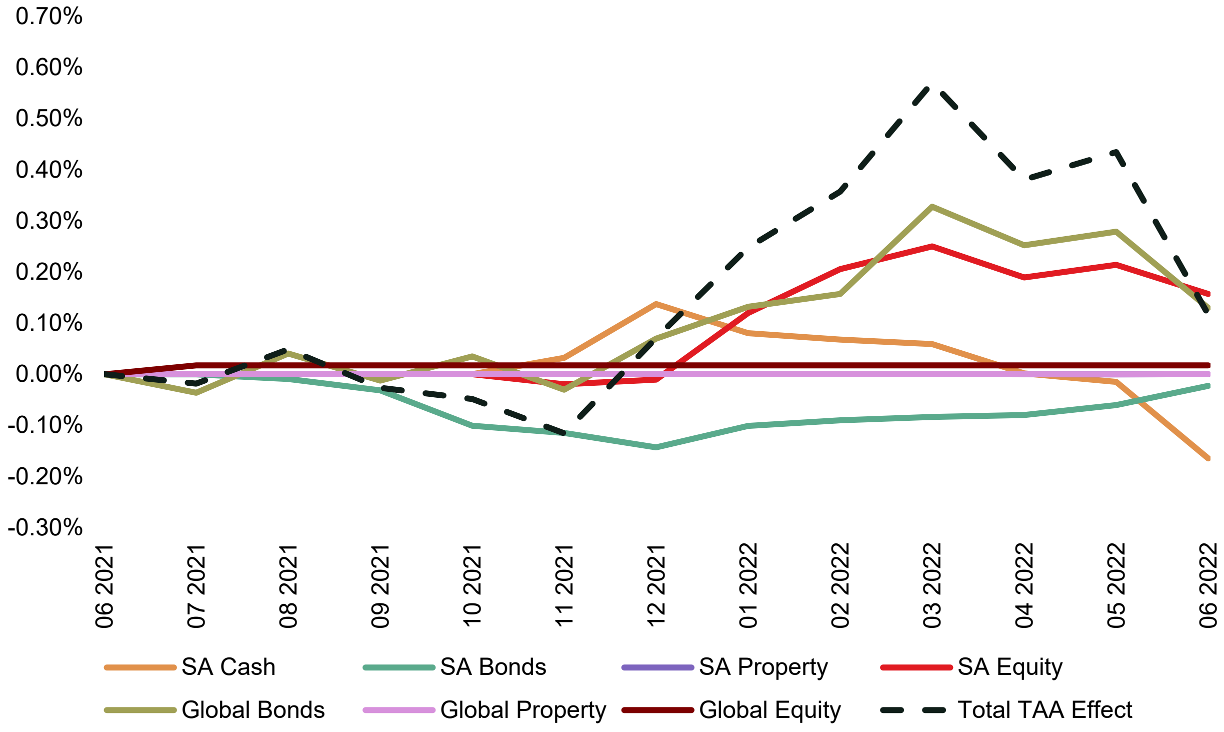


Figure 7.10: Manager selection effects: 12 months to 30 June 2022

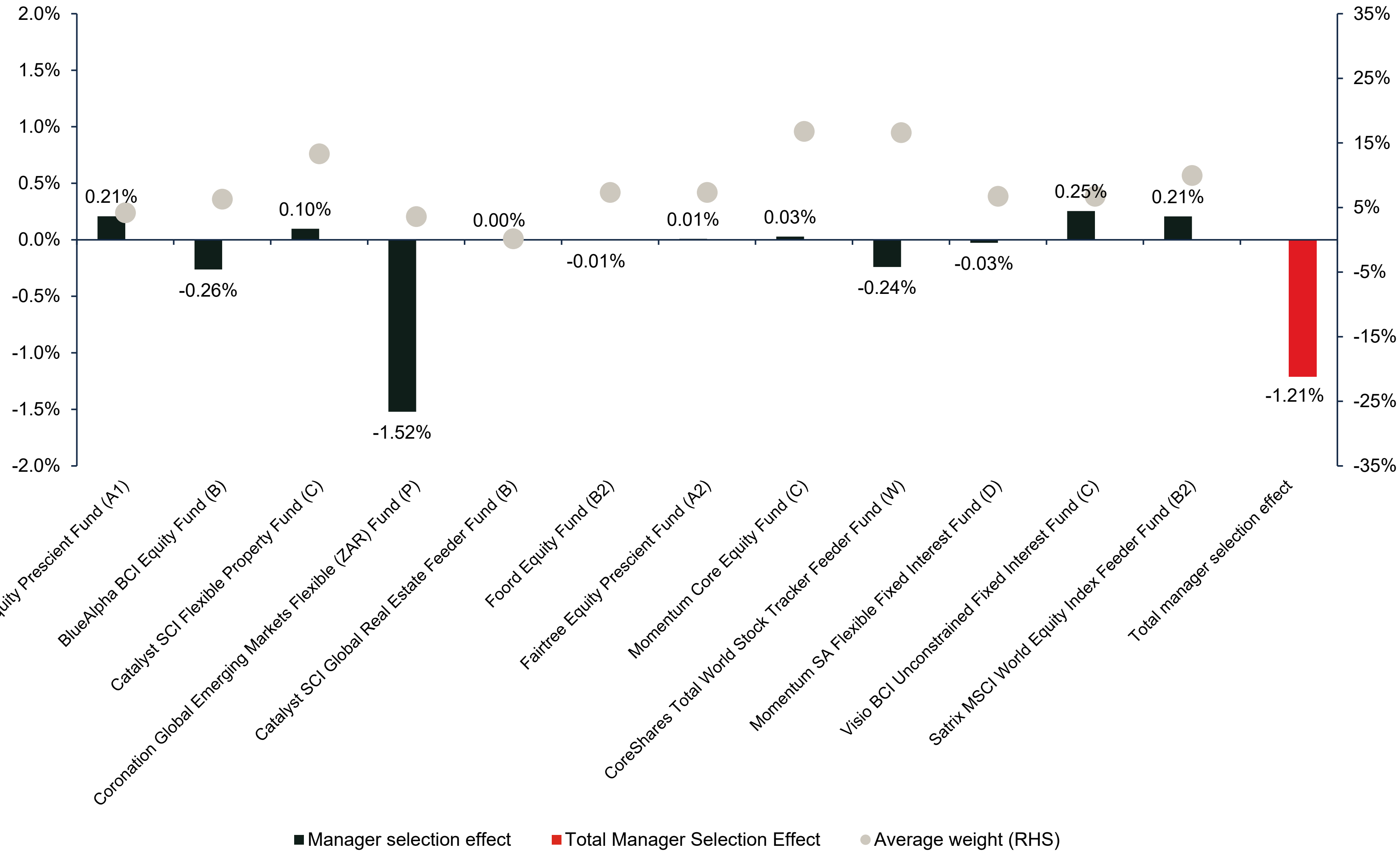
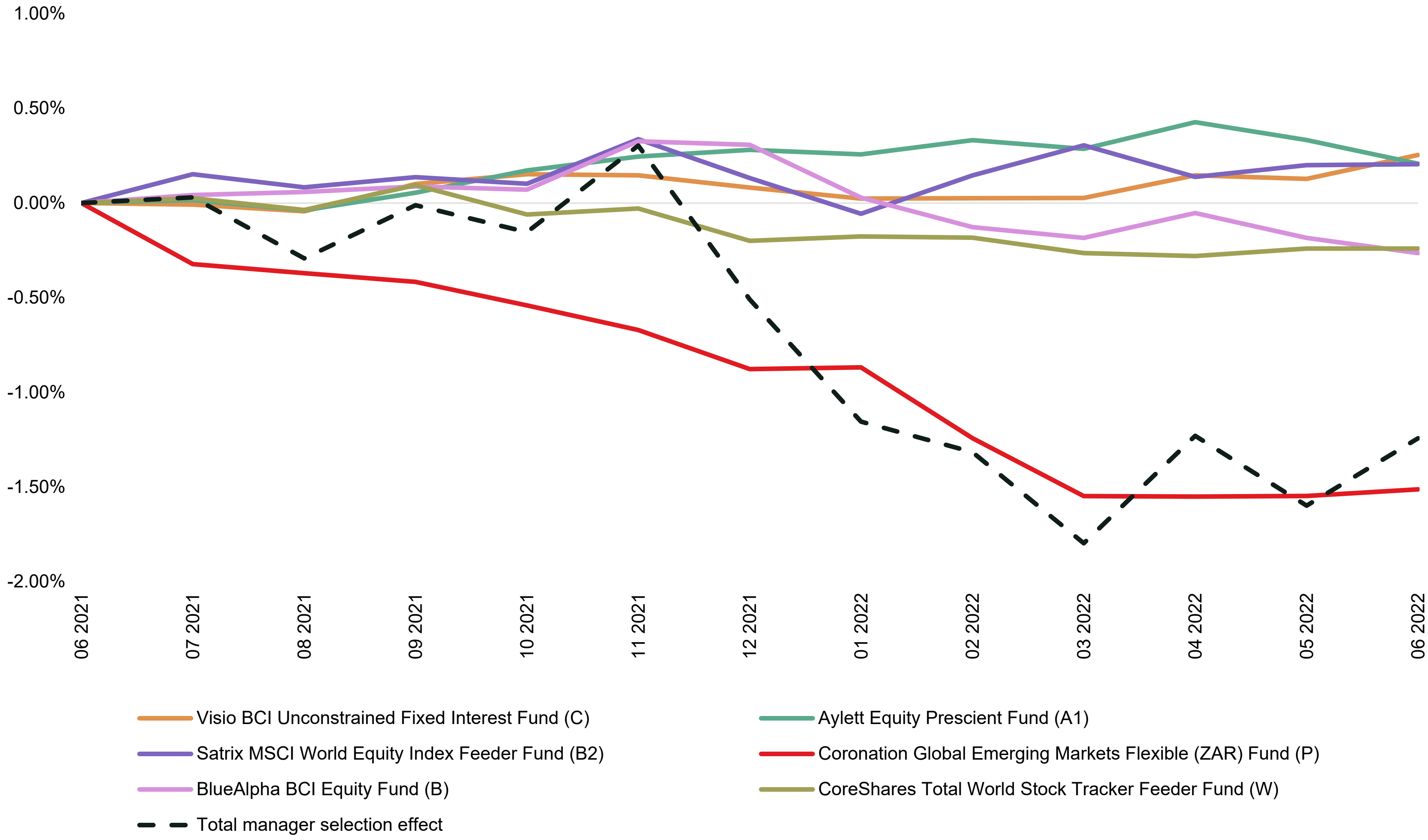


Figure 7.11: Cumulative manager selection effects: 12 months to 30 June 2022



3. Current positioning & portfolio changes

3.1. Asset class house views

Asset Class	Q1 - 2022	Q2 - 2022
Local		
SA Bonds	Neutral to Overweight	Overweight
SA Property	Underweight to Neutral	Neutral
SA Equity	Neutral to Overweight	Neutral to Overweight
Offshore		
Global Cash		Neutral
Global Bonds	Underweight to Neutral	Underweight to Neutral
Global Equity	Neutral	Neutral
Global Property	Neutral	Neutral to Overweight

3.2. New Strategic Asset Allocations

In our Q1 2022 report, we alluded to the new strategic asset allocations given the change in Regulation 28 limits. In summary, in the Minister of Finance's budget speech on 23 February 2022, the offshore allowance, in terms of Regulation 28, was increased from 30% offshore plus 10% Africa exposure to 45% total offshore with no more than 10% exposure to Africa.

Given these new limits, we took the decision to increase the strategic offshore exposure across all our local multi-asset class portfolios. Currently, the strategic offshore exposures of most of our portfolios are below the maximum 30% offshore limit as per the old Regulation 28 limits. We allocate prudently to any risky asset class depending on the unique risk budget of each portfolio. However, we are also acutely aware that the South African equity market is becoming more concentrated with less investment opportunities which has led to the risk premium we can capture from local equities reducing. This inherently impacts our ability to achieve each portfolios' respective inflation targets. and hence our optimisation model favours increasing exposure to offshore asset classes to capture the greater investment universe over the long-term.

We have also introduced global cash as a strategic asset class in our portfolios. This opportunity-set is warranted by the increased offshore exposure, which necessitates more diversification across offshore asset classes.

For local property, we have reduced the cap from 10% to 8%. While the optimisation model favours local property from a quantitative perspective, we have applied judgement and, given the concentrated nature of local property and the increasing magnitude of mergers and acquisitions in the South African property market, we felt it prudent not to have more than 8% in local property.

Current SAA

Asset class	Equilibrium Conservative	Equilibrium Stable	Equilibrium Moderate	Equilibrium Balanced	Equilibrium Growth	Equilibrium Unconstrained
Local Equity	20.00%	27.00%	36.00%	40.00%	45.00%	40.00%
Local Property	5.00%	7.00%	8.00%	10.00%	10.00%	10.00%
Local Bonds	30.00%	25.00%	17.00%	12.00%	13.00%	12.00%
Local Cash	24.00%	15.00%	12.00%	10.00%	2.00%	2.50%
Global Equity	13.00%	20.00%	20.00%	22.00%	27.00%	30.00%
Global Property	2.00%	2.00%	3.00%	3.00%	3.00%	3.50%
Global Bonds	6.00%	4.00%	4.00%	3.00%	0.00%	2.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Revised SAA

Asset class	Equilibrium Conservative	Equilibrium Stable	Equilibrium Moderate	Equilibrium Balanced	Equilibrium Growth	Equilibrium Unconstrained
Local Equity	20.00%	26.50%	31.50%	36.00%	38.00%	38.00%
Local Property	5.00%	5.50%	6.00%	7.00%	8.00%	8.00%
Local Bonds	28.00%	24.00%	20.00%	16.00%	12.50%	12.50%
Local Cash	20.00%	14.00%	10.50%	6.00%	2.50%	2.50%
Global Equity	16.00%	20.00%	22.00%	26.00%	30.00%	30.00%
Global Property	2.00%	2.50%	3.00%	4.00%	5.00%	5.00%
Global Bonds	5.00%	4.00%	4.00%	3.00%	2.00%	2.00%
Global Cash	4.00%	3.50%	3.00%	2.00%	2.00%	2.00%
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Value at Risk and expected real returns

	Value at Risk over 12m with 95% likelihood			Expected real return over investment horizon with 70% likelihood		
Portfolio	**Current**	**Revised**	**Change**	**Current**	**Revised**	**Change**
Equilibrium Conservative	0.56%	0.10%	-0.46%	1.24%	1.07%	-0.17%
Equilibrium Stable	-2.97%	-3.08%	-0.11%	2.31%	1.95%	-0.35%
Equilibrium Moderate	-5.80%	-4.61%	1.19%	3.05%	2.90%	-0.15%
Equilibrium Balanced	-7.67%	-6.71%	0.96%	3.88%	3.55%	-0.33%
Equilibrium Growth	-9.08%	-8.21%	0.87%	4.64%	4.19%	-0.45%
Equilibrium Unconstrained	-9.15%	-8.21%	0.94%	4.32%	4.19%	-0.13%

Forward-looking probabilities

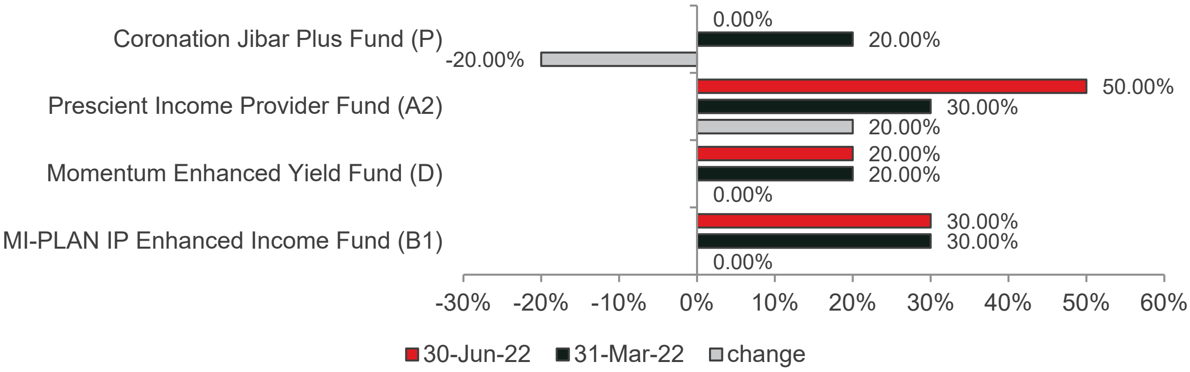
Portfolio	Current	Revised	Change
Equilibrium Conservative	65.23%	62.77%	-2.46%
Equilibrium Stable	64.22%	60.38%	-3.83%
Equilibrium Moderate	65.45%	62.13%	-3.32%
Equilibrium Balanced	62.63%	61.94%	-0.69%
Equilibrium Growth	51.26%	46.57%	-4.69%
Equilibrium Unconstrained	51.62%	46.57%	-5.05%

Implementation

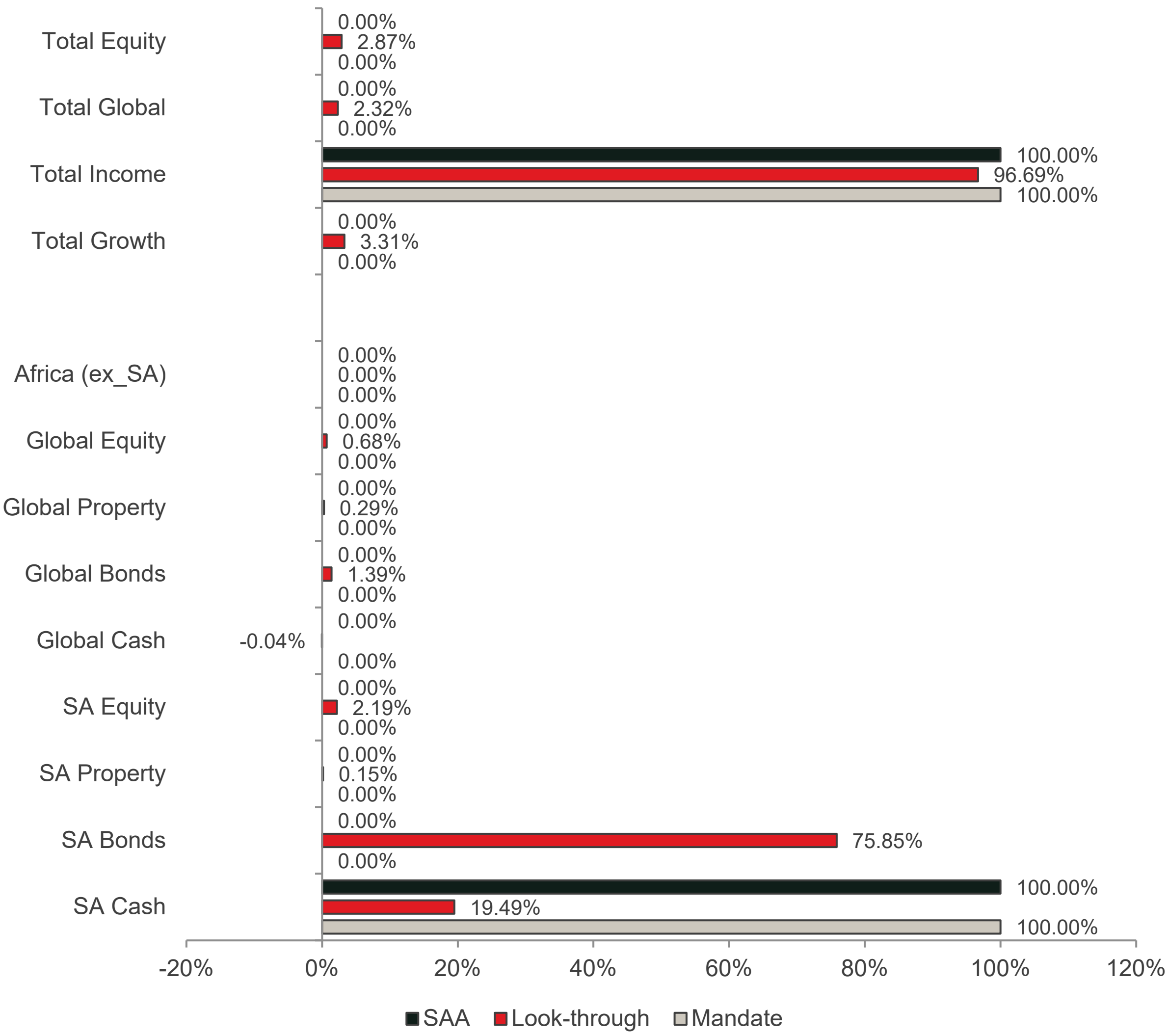
The new strategic asset allocations will come into effect on 1 October 2022 and performances from this date will be attributed to the new strategic asset allocations. As discussed in our Q1 2022 report, we will gradually and opportunistically implement the new strategic asset allocations. Given our current asset class views, specifically our views on global asset classes and the commensurate risks thereof, we have opted against increasing the exposure to global asset classes now. The biggest risks we see in the global space is the normalisation of interest rates, valuations of global asset classes and the strength of the dollar. We have however opted to reduce our local property exposure to align to the new strategic allocations, with the proceeds from the reduction allocated to local bonds which provide downside risk protection relative to growth asset classes such as local property. Additionally, we view local bonds to be attractively priced on a risk-adjusted basis. Details of these changes are highlighted in the below sections for each portfolio.

3.3. Equilibrium Income Portfolio

3.3.1. Building block allocation



3.3.2. Look-through asset allocation (as at 30 June 2022)

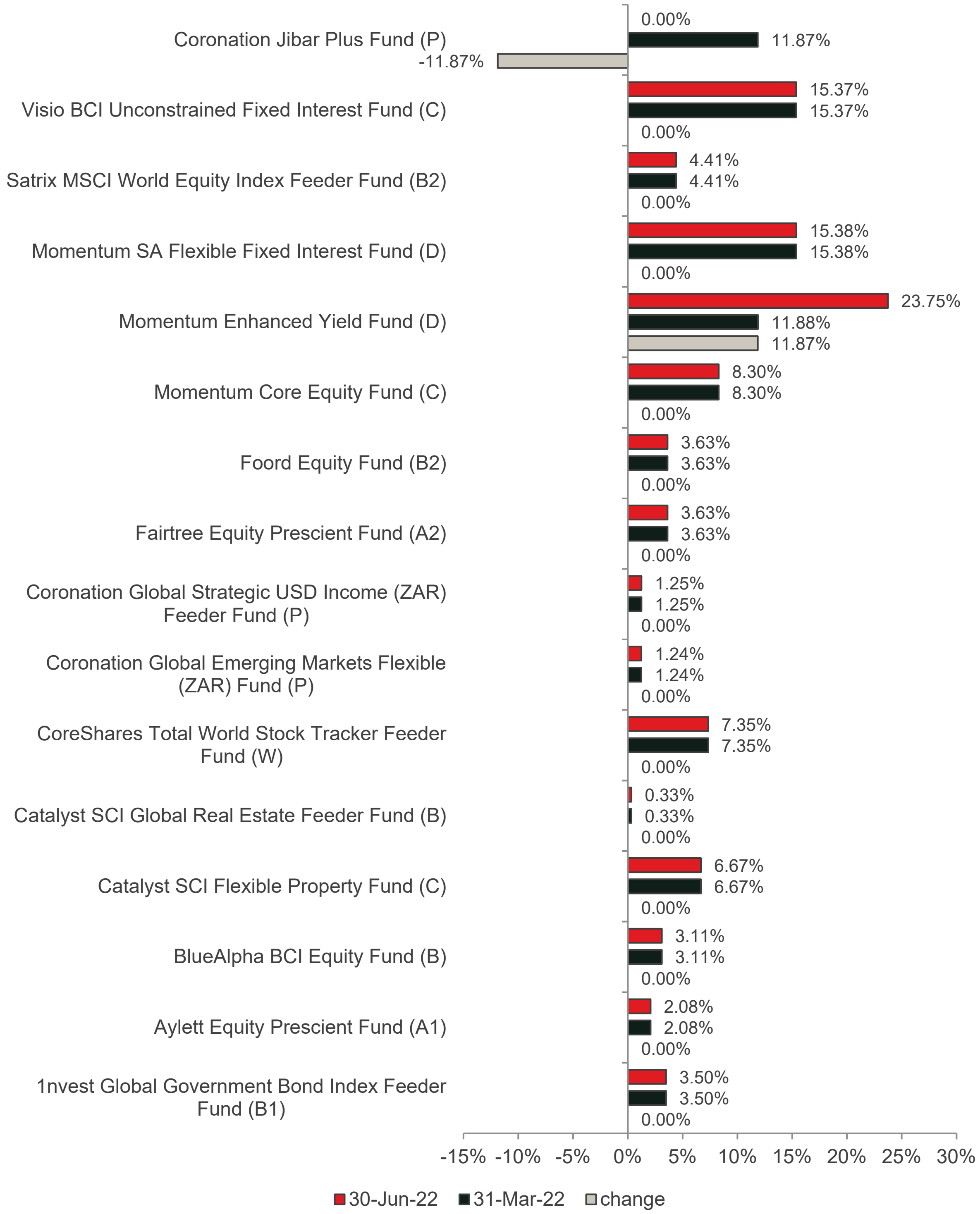


3.3.3. Portfolio changes

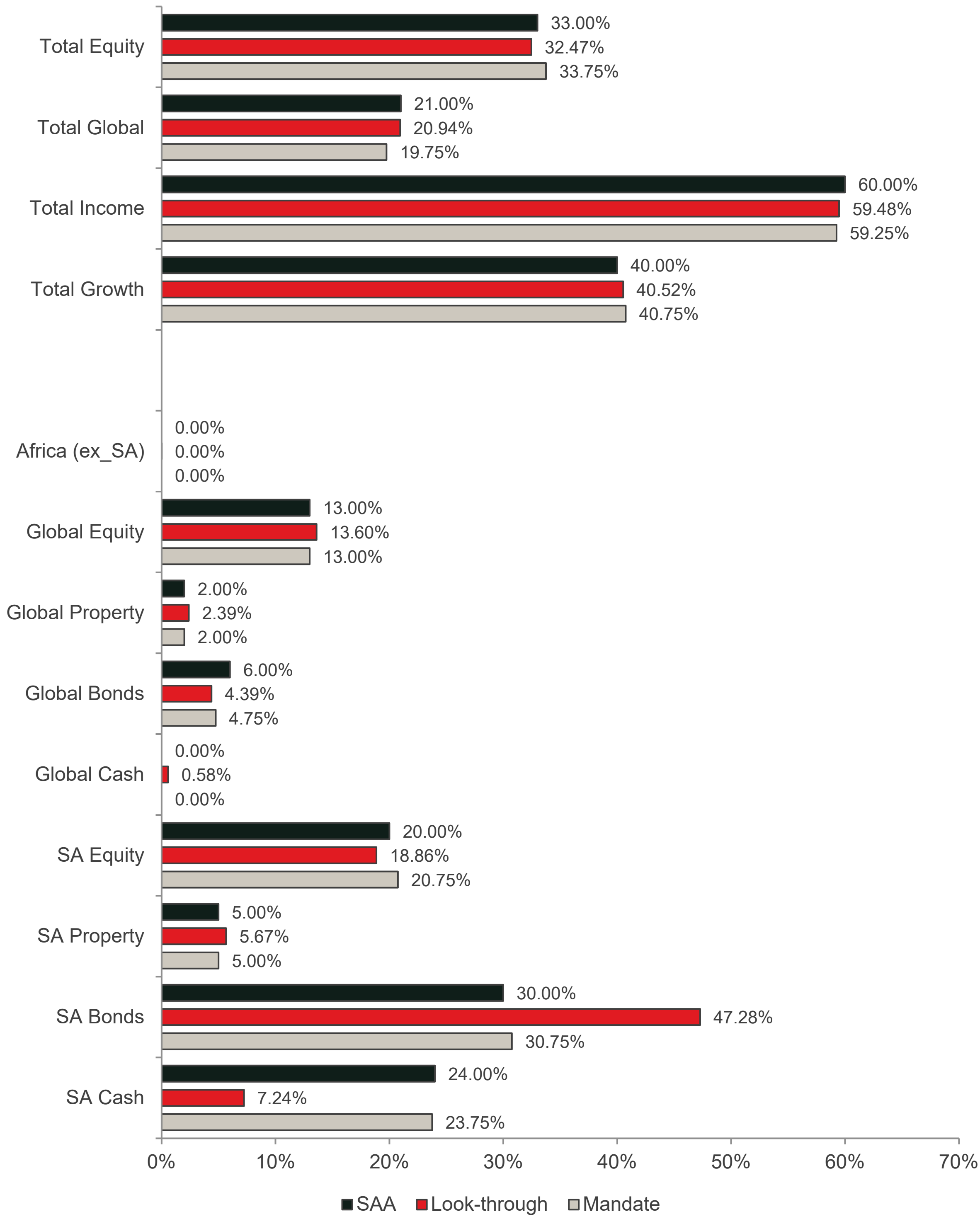
- No changes were made. The portfolio was rebalanced back to ideal allocations.

3.4. Equilibrium Conservative Portfolio

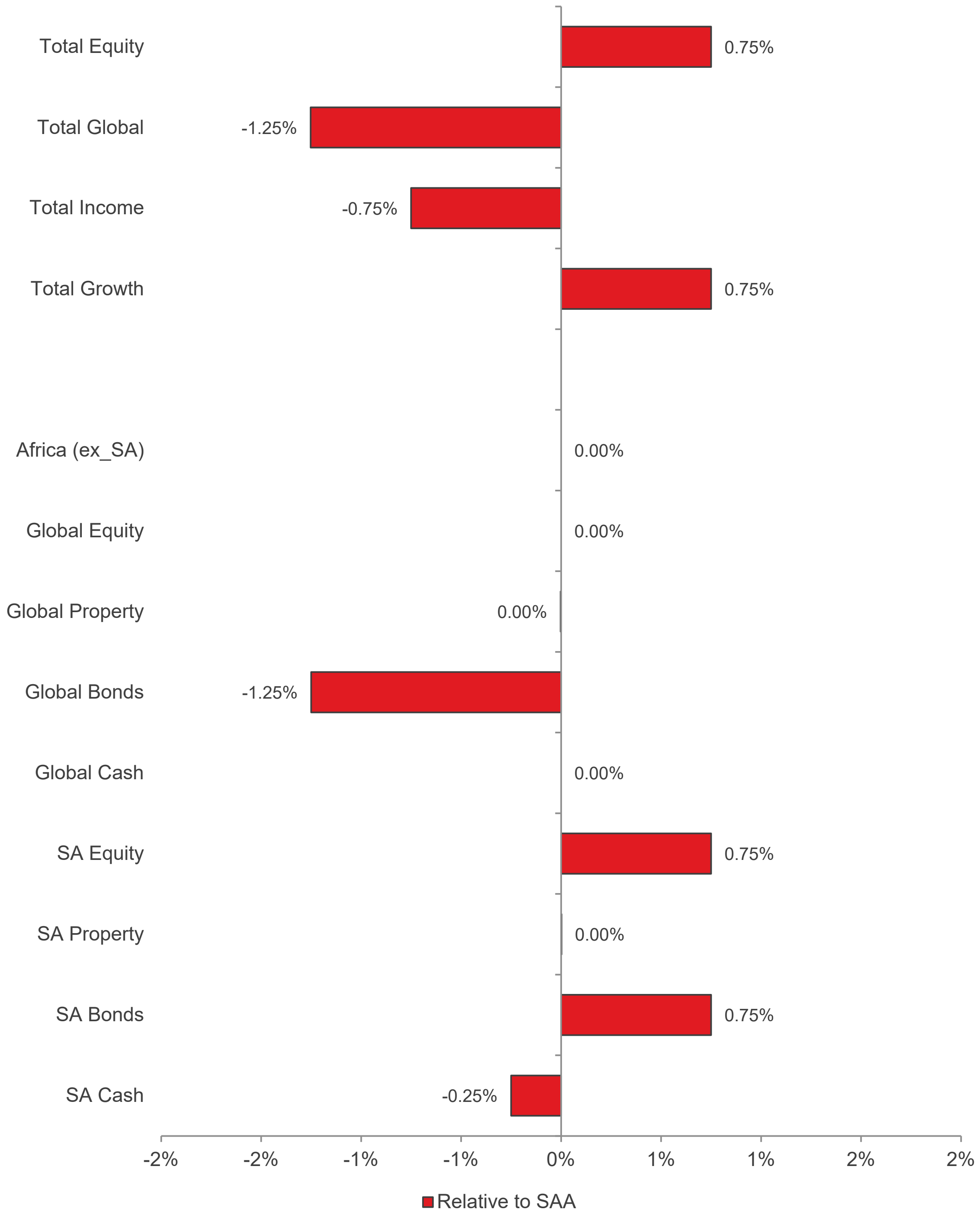
3.4.1. Building block allocation



3.4.2. Asset allocation as at 30 June 2022



3.4.3. Asset allocation: Relative to SAA

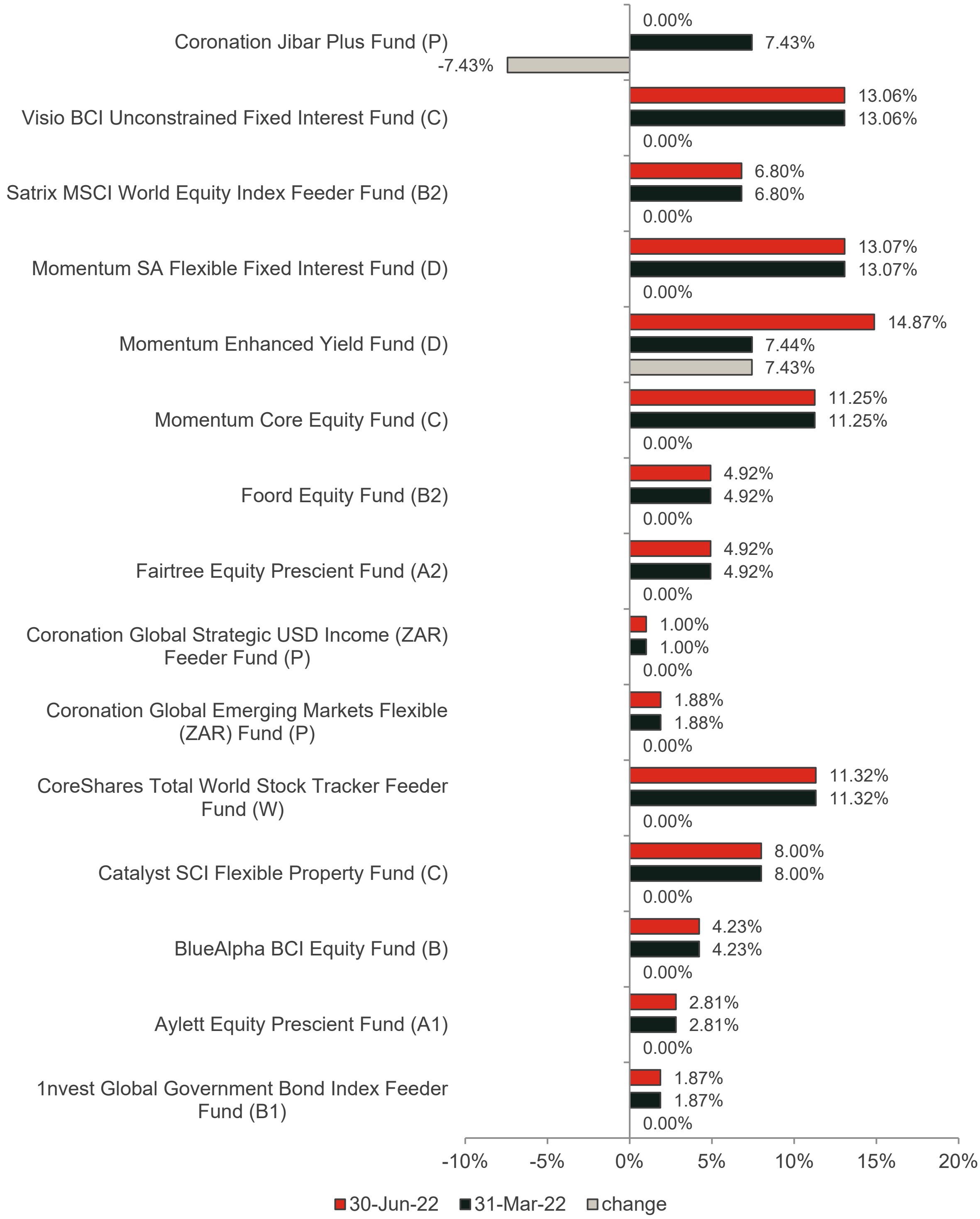


3.4.4. Portfolio changes

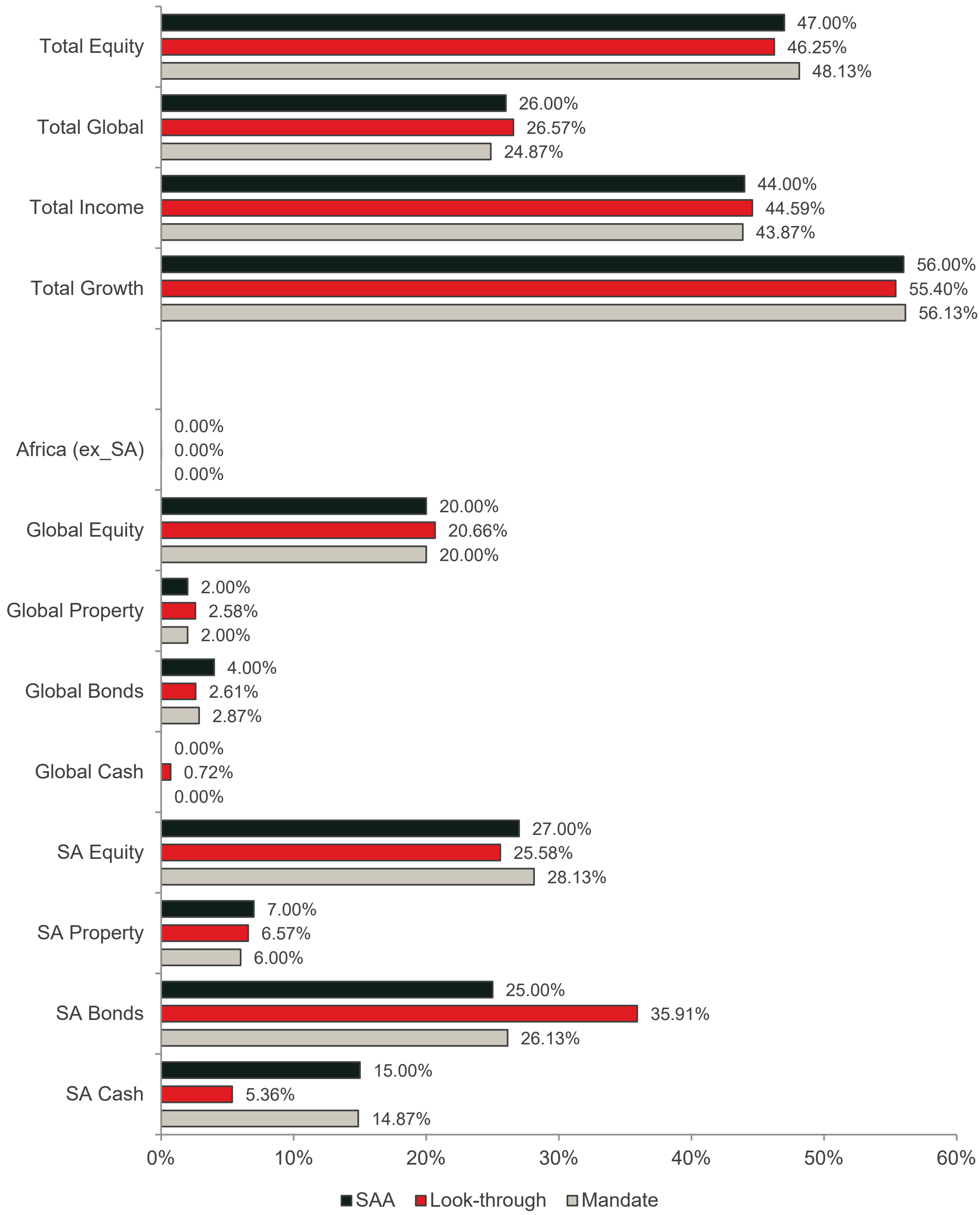
- No changes were made. The portfolio was rebalanced back to ideal allocations.

3.5. Equilibrium Stable Portfolio

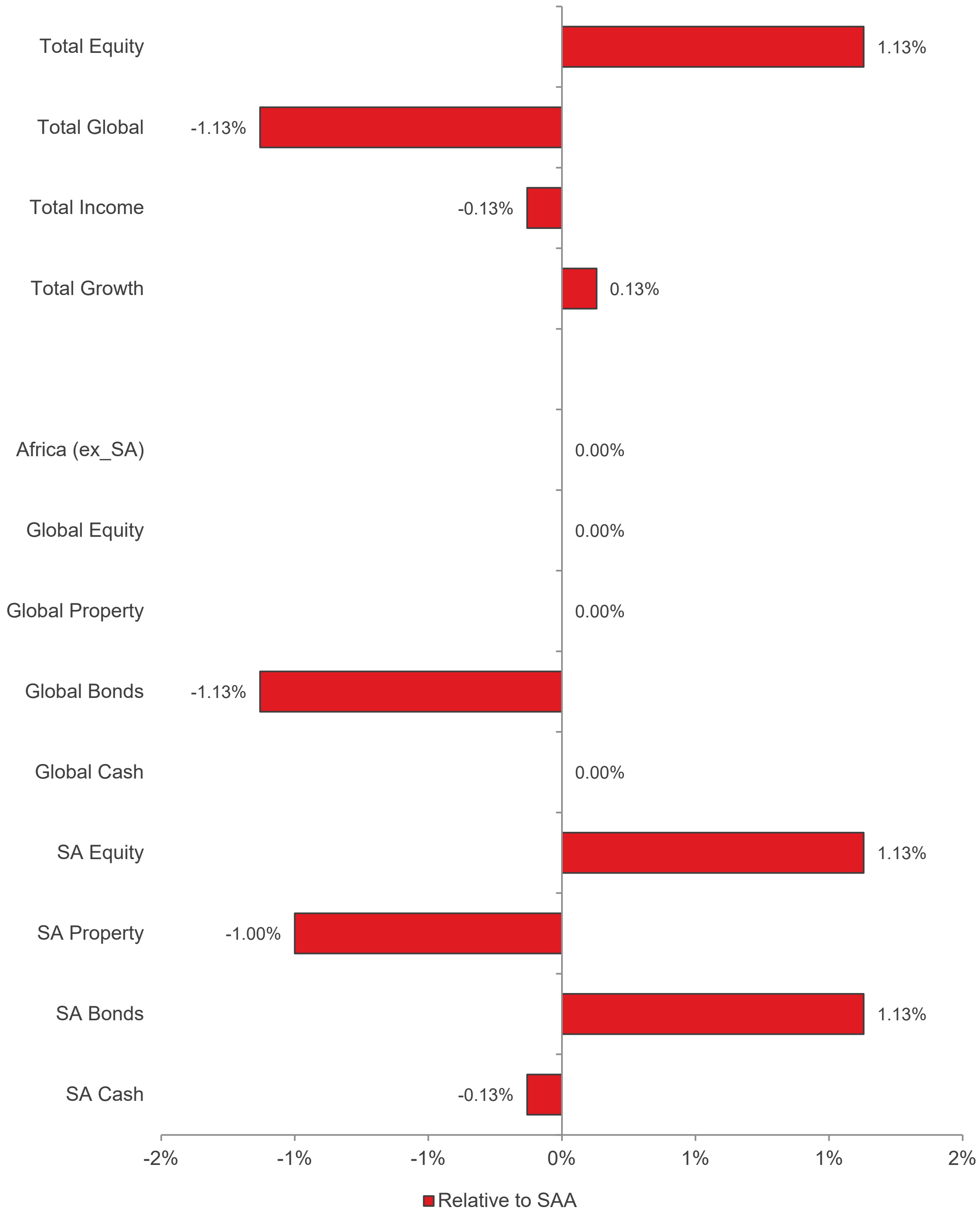
3.5.1. Building block allocation



3.5.2. Asset allocation as at 30 June 2022



3.5.3. Asset allocation: Relative to SAA



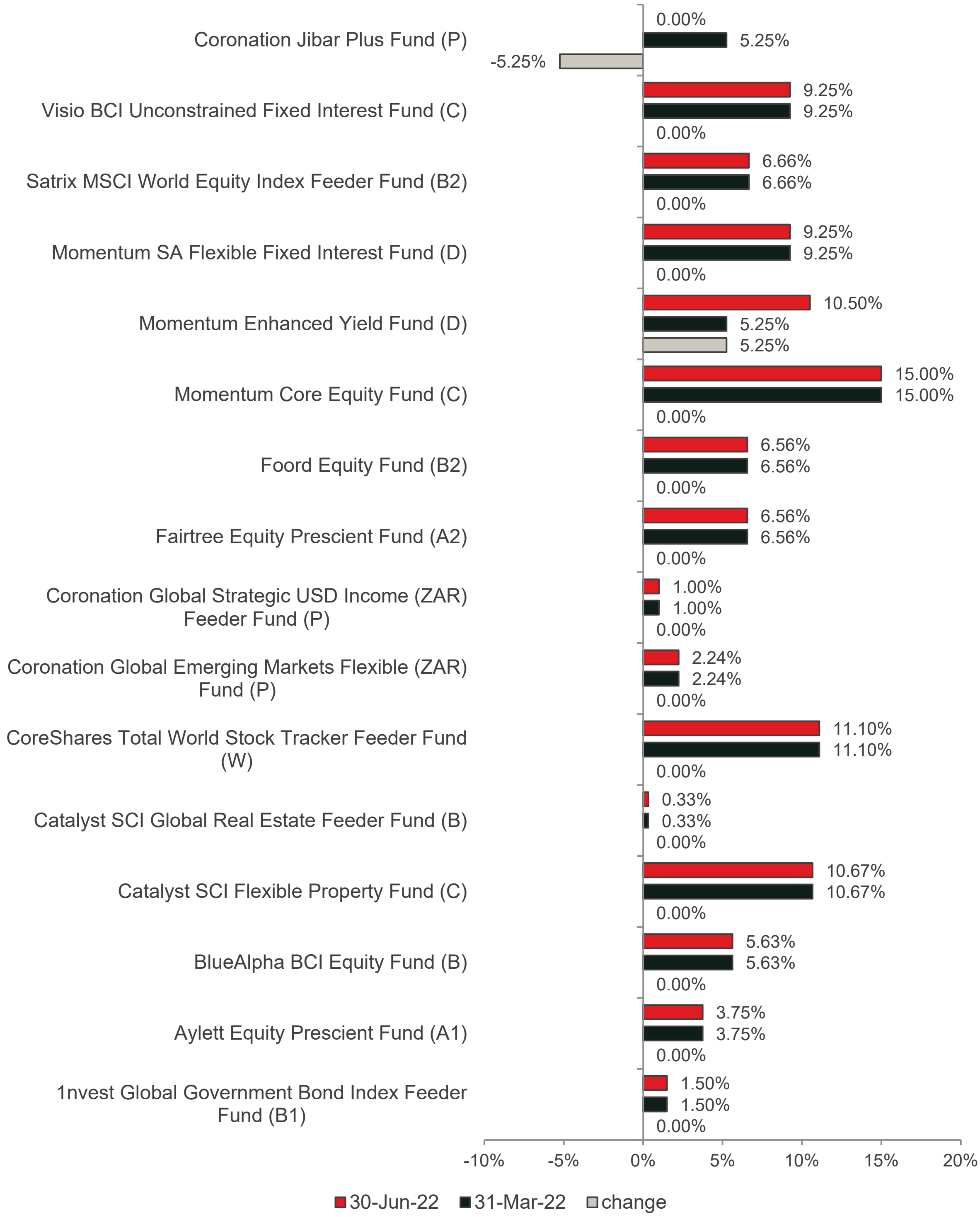
3.5.4. Portfolio changes

Based on the discussion in section 3.2 of the report and considering our asset class views and the current positioning of the portfolio, the below changes were made:

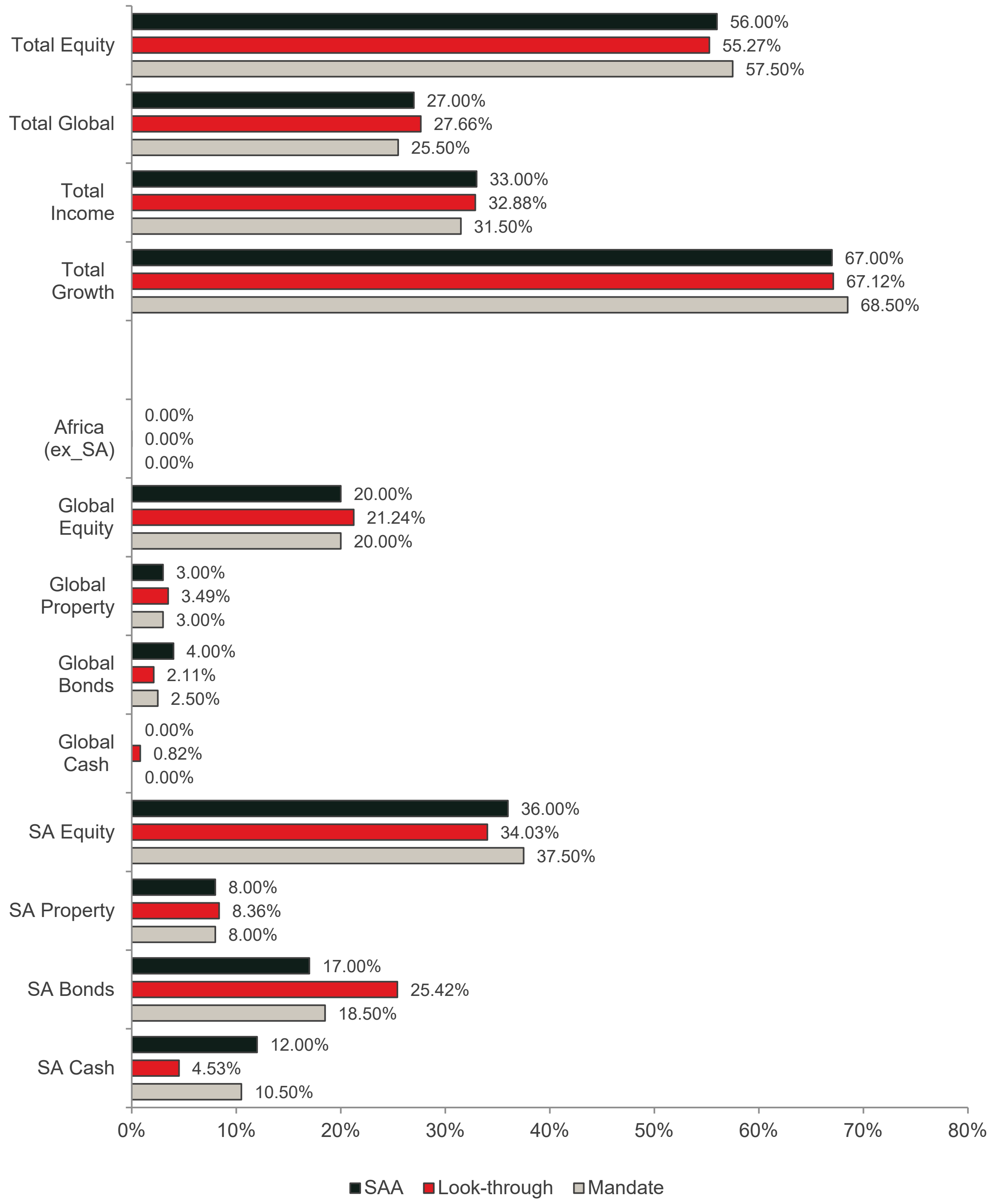
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.81%	**2.81%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.80%	**6.80%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.88%	**1.88%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.32%	**11.32%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.87%	**1.87%**	0.00%
Fairtree Equity Prescient Fund (A2)	4.92%	**4.92%**	0.00%
Foord Equity Fund (B2)	4.92%	**4.92%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	13.06%	**13.40%**	0.34%
Momentum Core Equity Fund (C)	11.25%	**11.25%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	13.07%	**13.40%**	0.33%
BlueAlpha BCI Equity Fund (B)	4.23%	**4.23%**	0.00%
Catalyst SCI Flexible Property Fund (C)	8.00%	**7.33%**	-0.67%
Momentum Enhanced Yield Fund (D)	14.87%	**14.87%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	1.00%	**1.00%**	0.00%
	100.00%	100.00%	0.00%

3.6. Equilibrium Moderate Portfolio

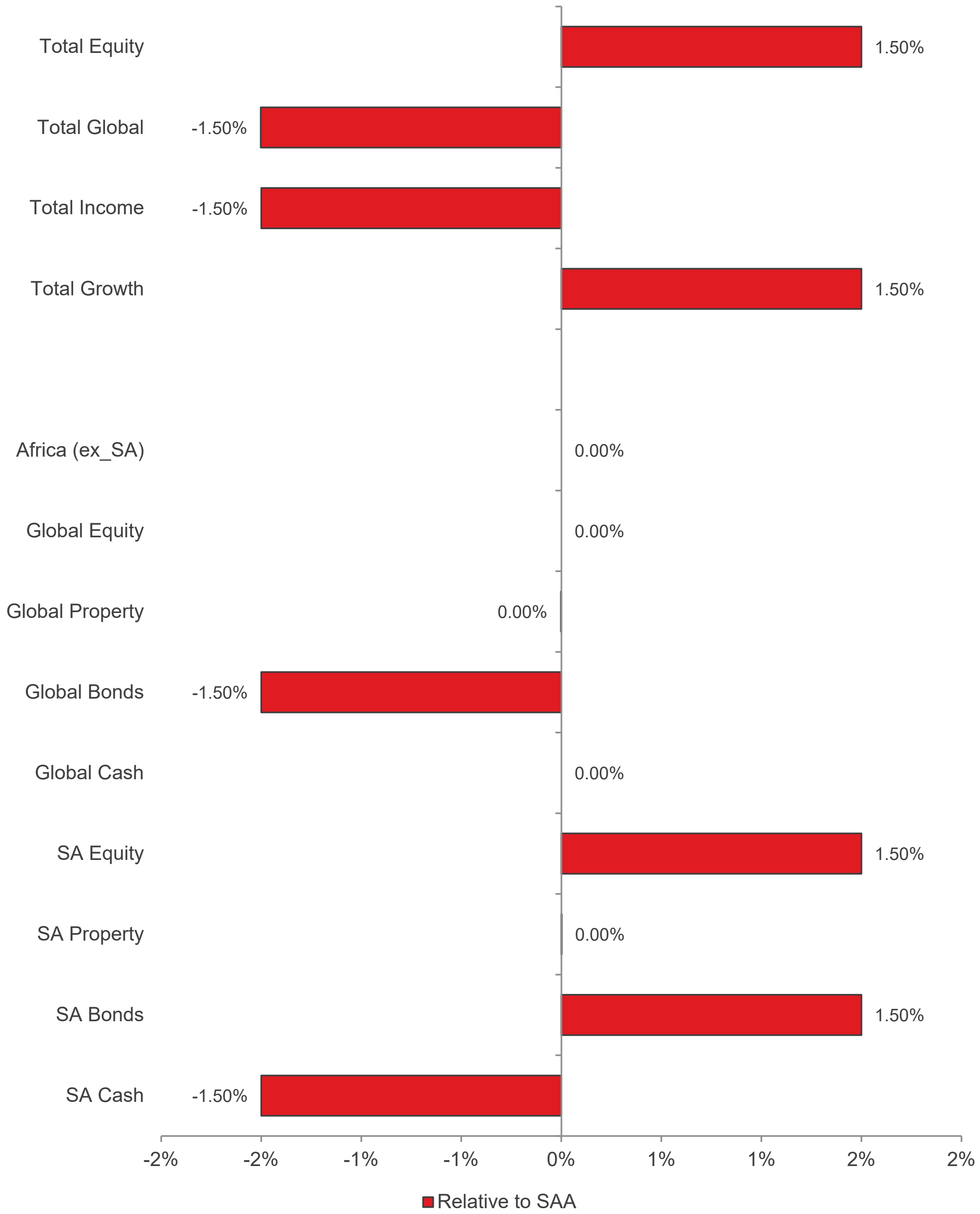
3.6.1. Building block allocation



3.6.2. Look-through asset allocation (as at 30 June 2022)



3.6.3. Look-through asset allocation: Relative to SAA



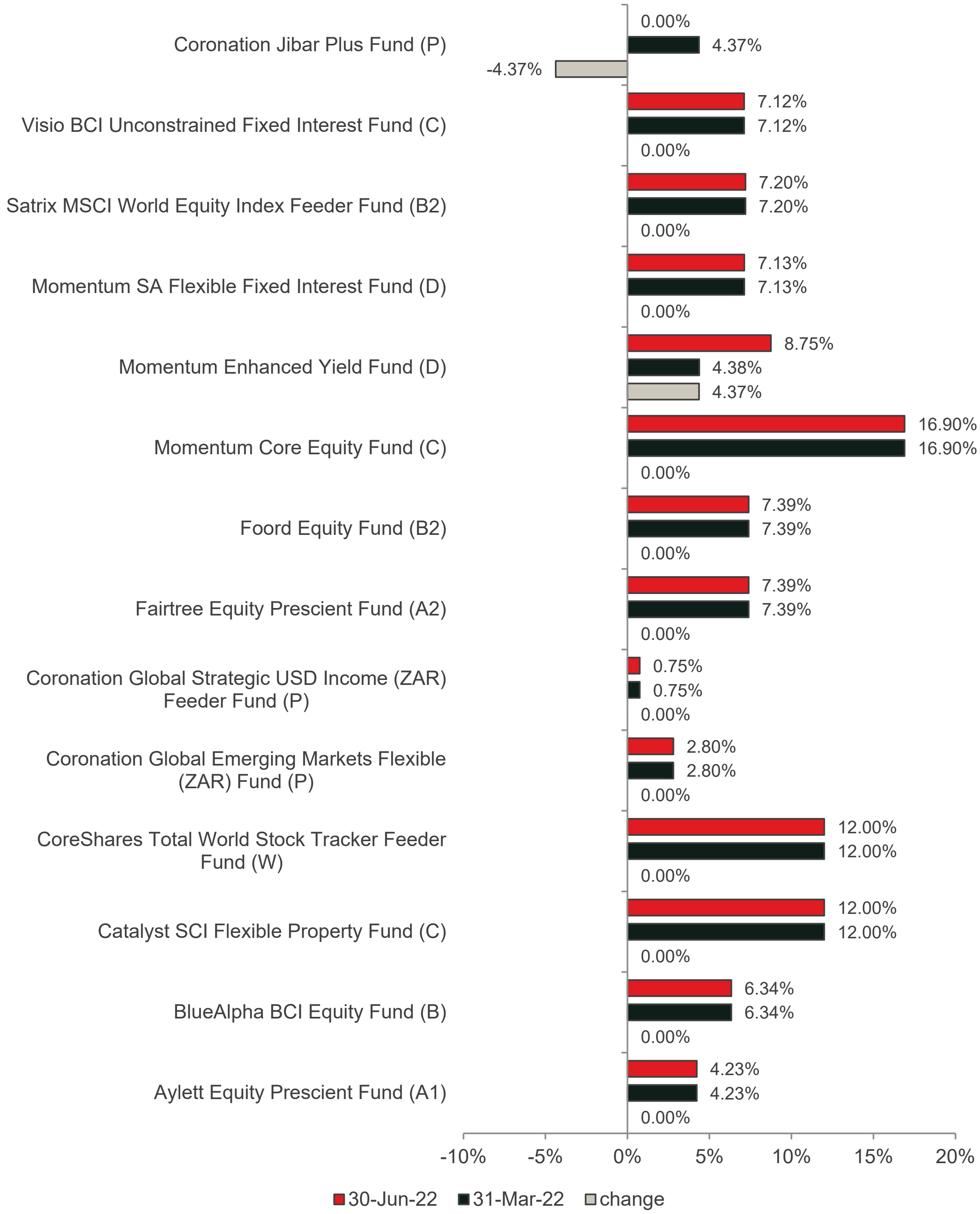
3.6.4. Portfolio changes

Based on the discussion in section 3.2 of the report and considering our asset class views and the current positioning of the portfolio, the below changes were made:

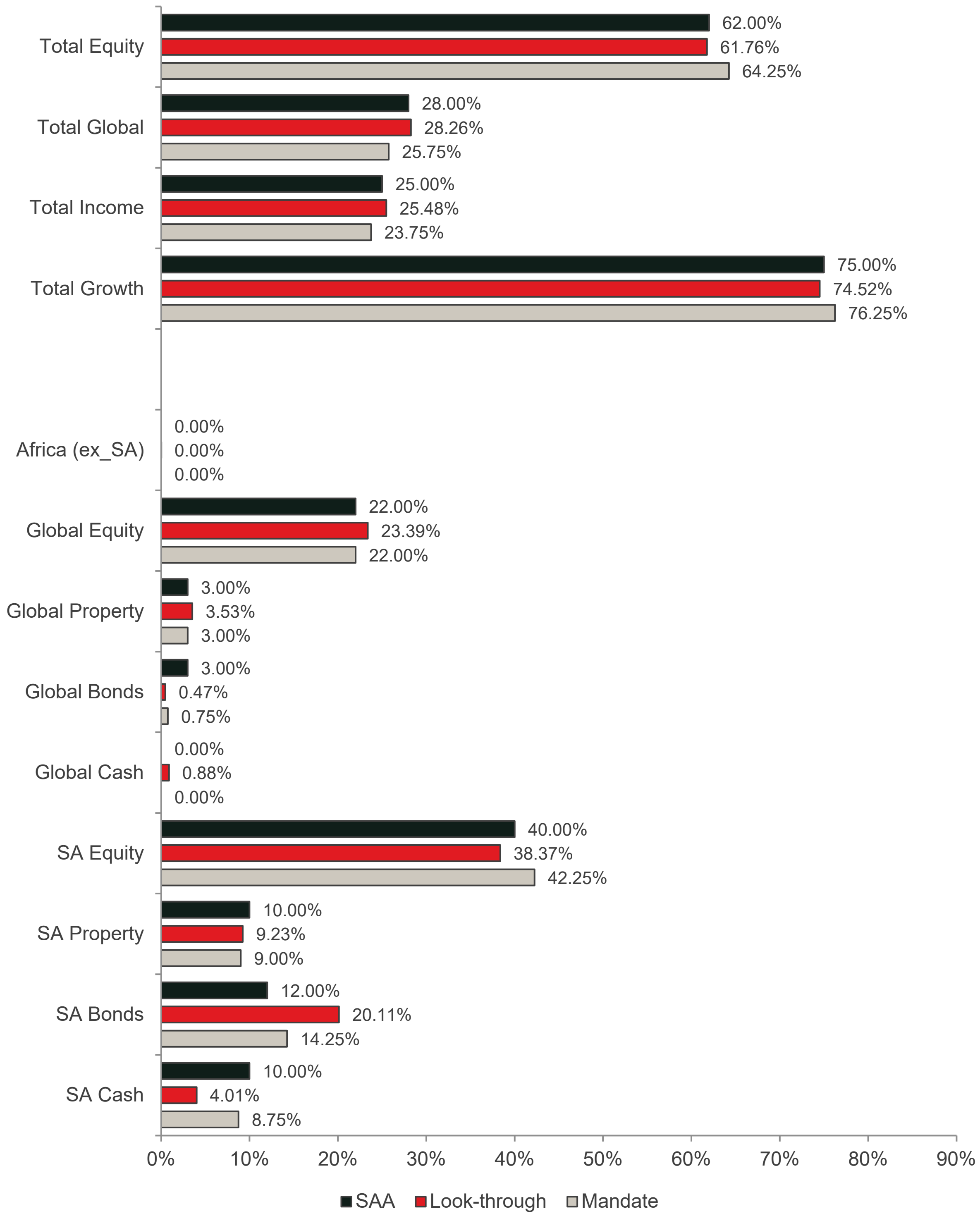
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.75%	**3.75%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.66%	**6.66%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.24%	**2.24%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.10%	**11.10%**	0.00%
Fairtree Equity Prescient Fund (A2)	6.56%	**6.56%**	0.00%
Foord Equity Fund (B2)	6.56%	**6.56%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	9.25%	**10.58%**	1.33%
Momentum Core Equity Fund (C)	15.00%	**15.00%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	9.25%	**10.59%**	1.34%
BlueAlpha BCI Equity Fund (B)	5.63%	**5.63%**	0.00%
Catalyst SCI Flexible Property Fund (C)	10.67%	**8.00%**	-2.67%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.33%	**0.33%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.50%	**1.50%**	0.00%
Momentum Enhanced Yield Fund (D)	10.50%	**10.50%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	1.00%	**1.00%**	0.00%
	100.00%	100.00%	0.00%

3.7. Equilibrium Balanced Portfolio

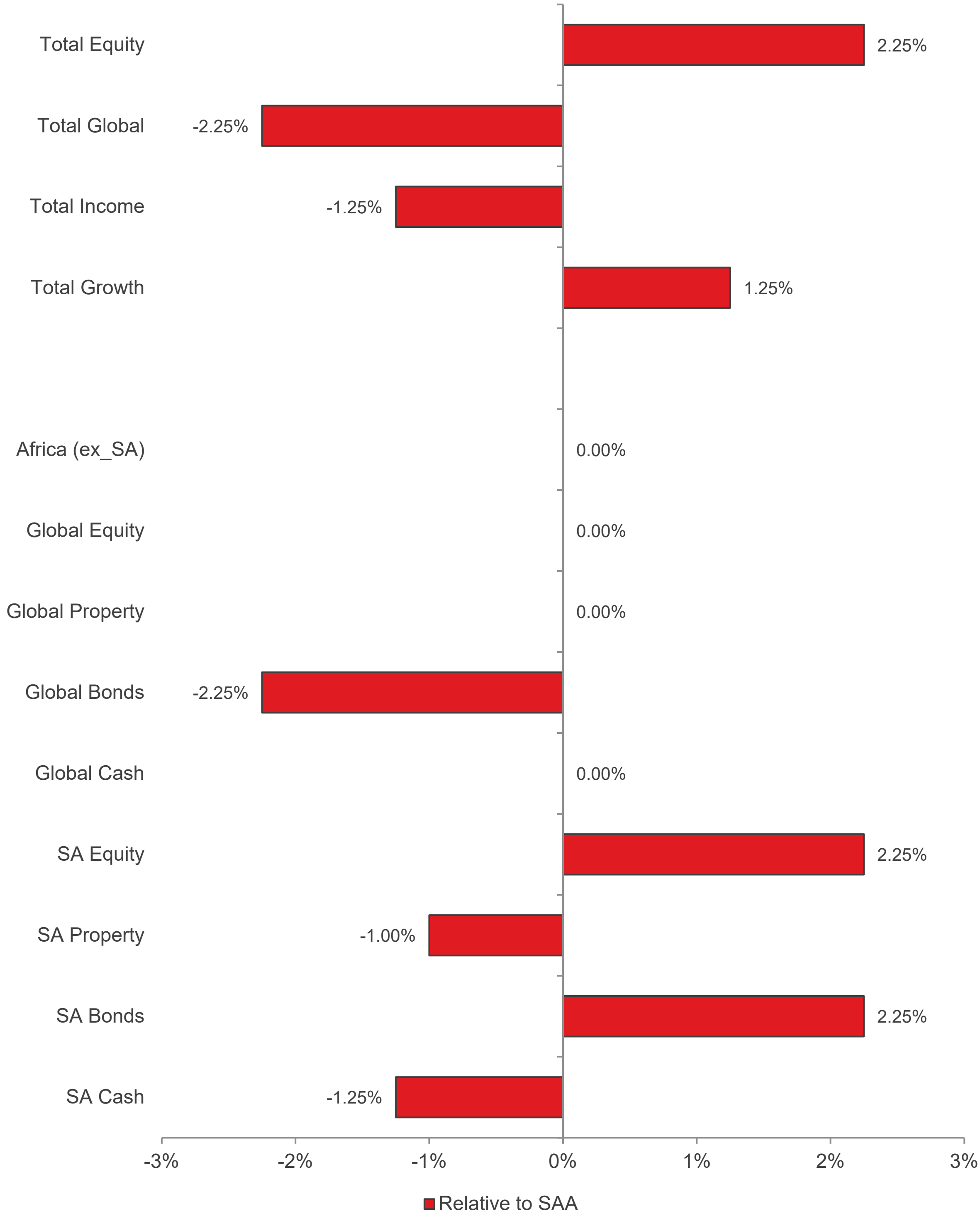
3.7.1. Building block allocation



3.7.2. Look-through asset allocation (as at 30 June 2022)



3.7.3. Look-through asset allocation: Relative to SAA



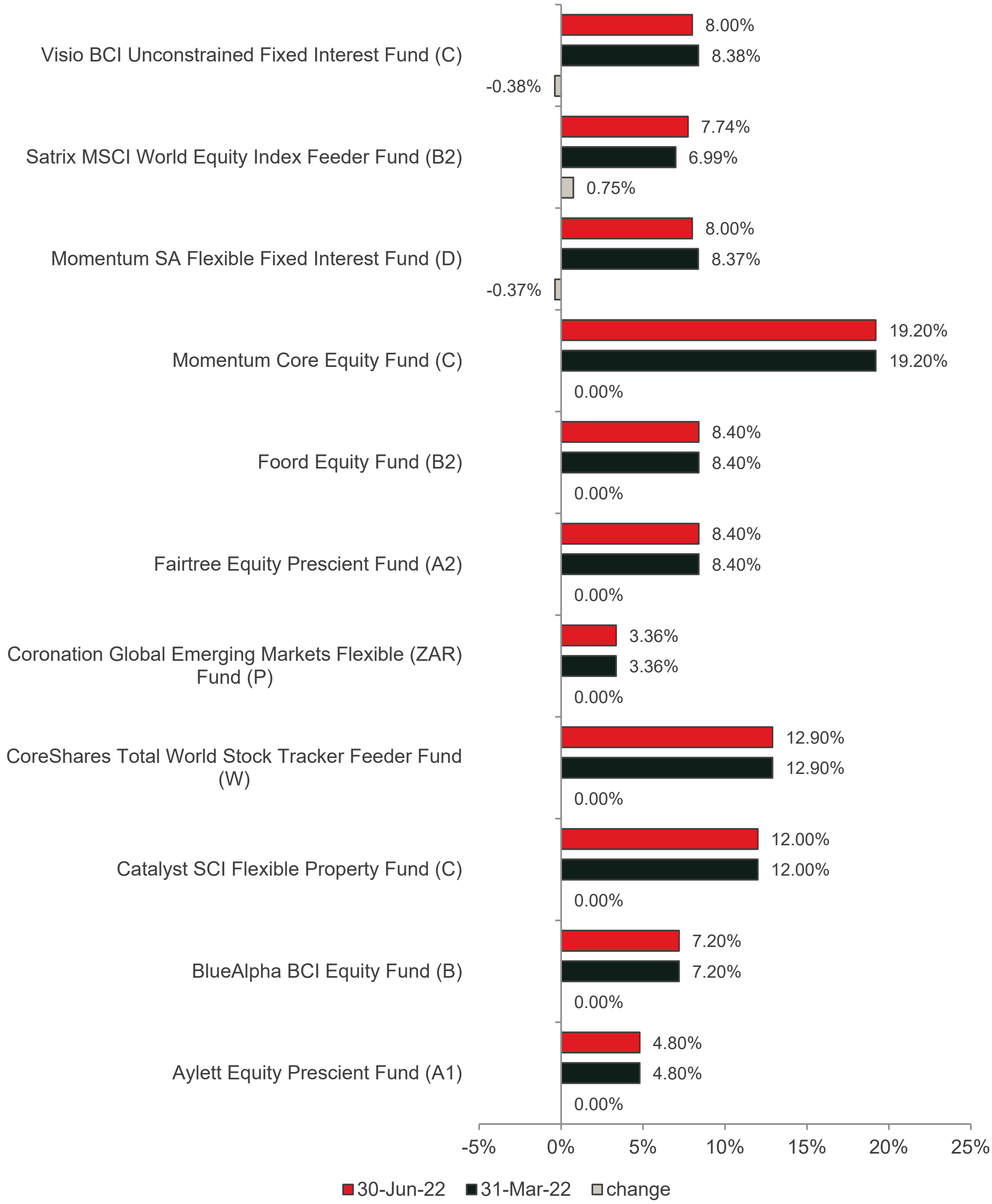
3.7.4. Portfolio changes

Based on the discussion in section 3.2 of the report and considering our asset class views and the current positioning of the portfolio, the below changes were made:

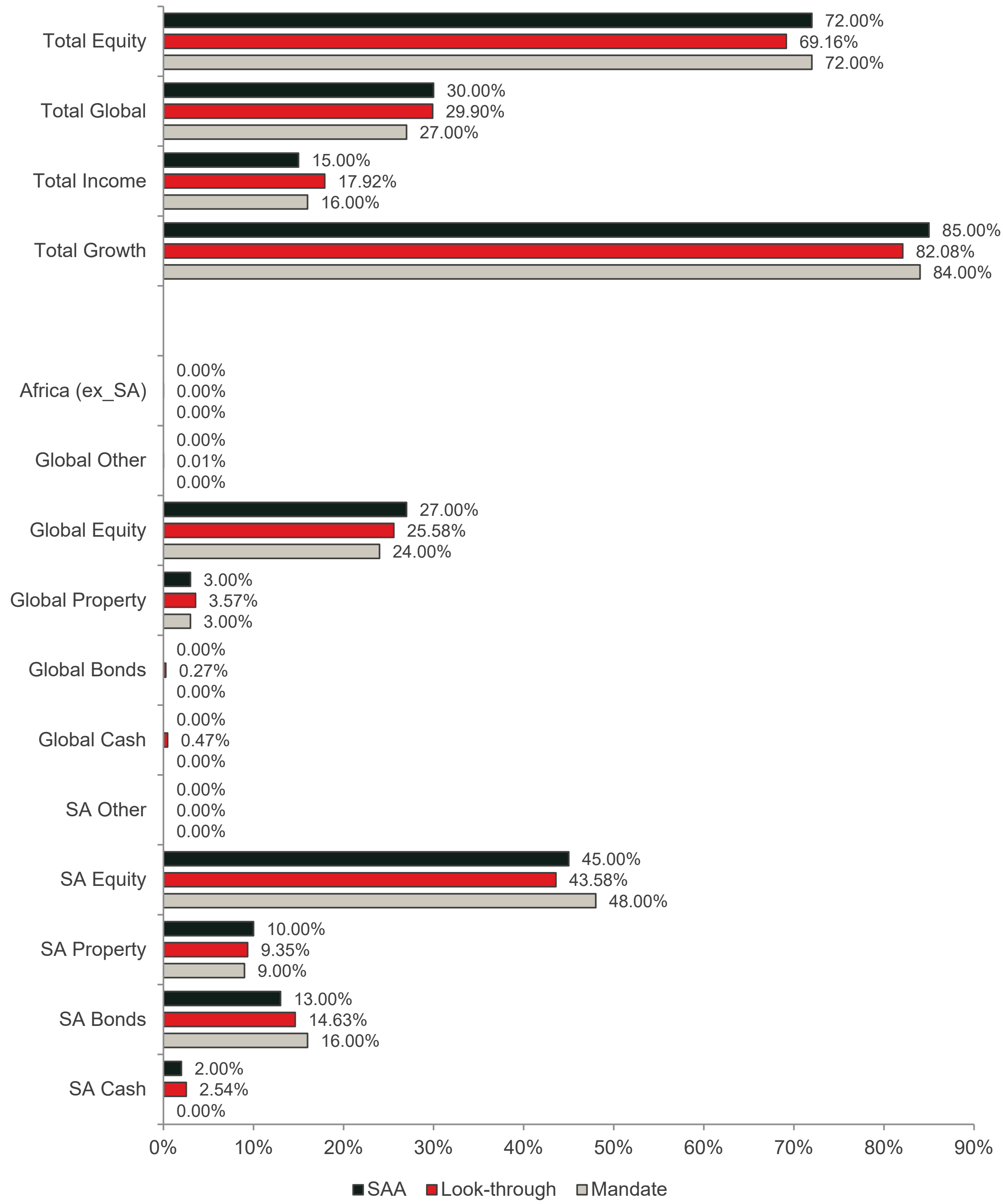
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.23%	**4.23%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.20%	**7.20%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.80%	**2.80%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.00%	**12.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.39%	**7.39%**	0.00%
Foord Equity Fund (B2)	7.39%	**7.39%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	7.12%	**8.46%**	1.34%
Momentum Core Equity Fund (C)	16.90%	**16.90%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	7.13%	**8.46%**	1.33%
BlueAlpha BCI Equity Fund (B)	6.34%	**6.34%**	0.00%
Catalyst SCI Flexible Property Fund (C)	12.00%	**9.33%**	-2.67%
Momentum Enhanced Yield Fund (D)	8.75%	**8.75%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.75%	**0.75%**	0.00%
	100.00%	100.00%	0.00%

3.8. Equilibrium Growth Portfolio

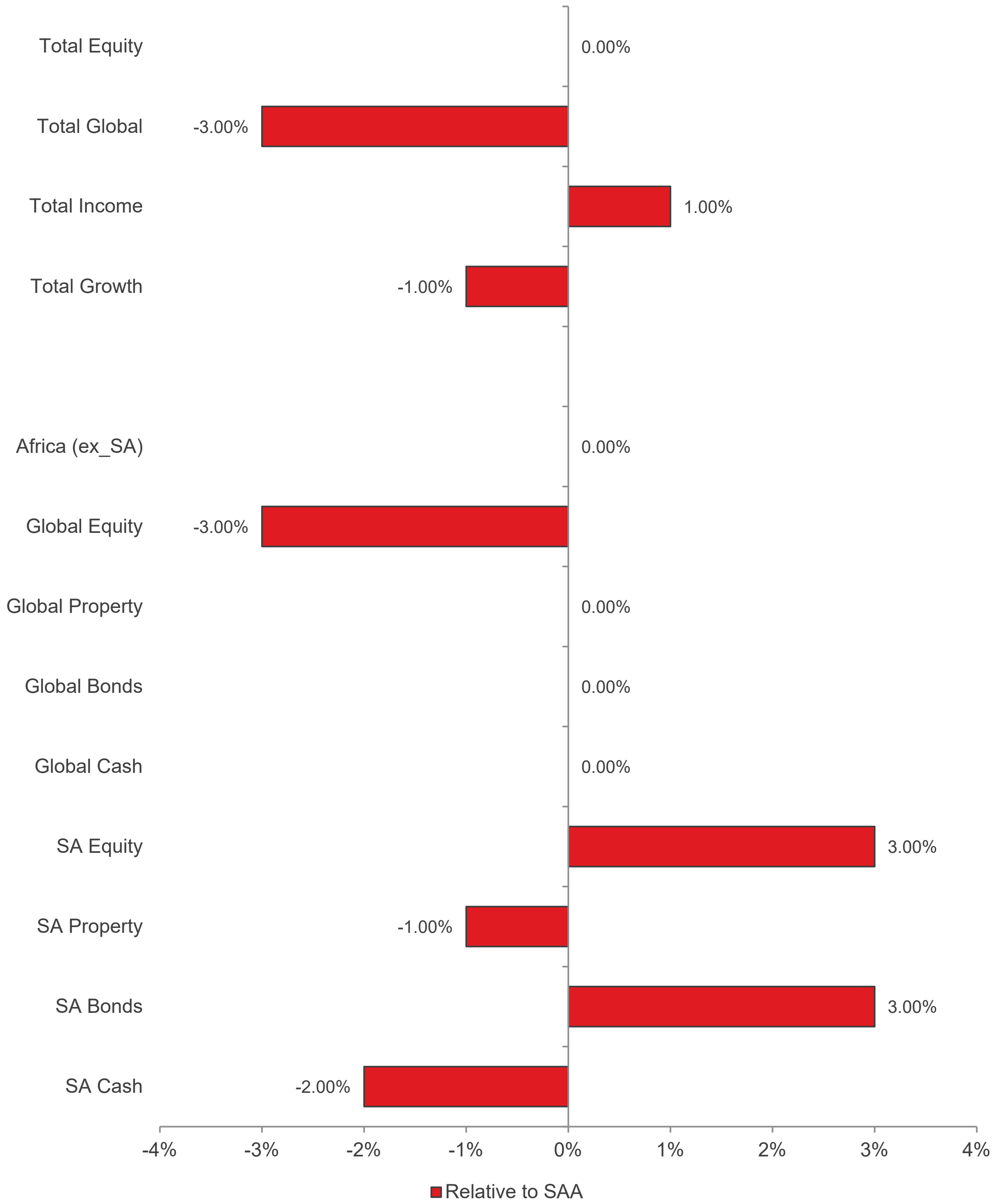
3.8.1. Building block allocation



3.8.2. Asset allocation (as at 30 June 2022)



3.8.3. Asset allocation: Relative to SAA



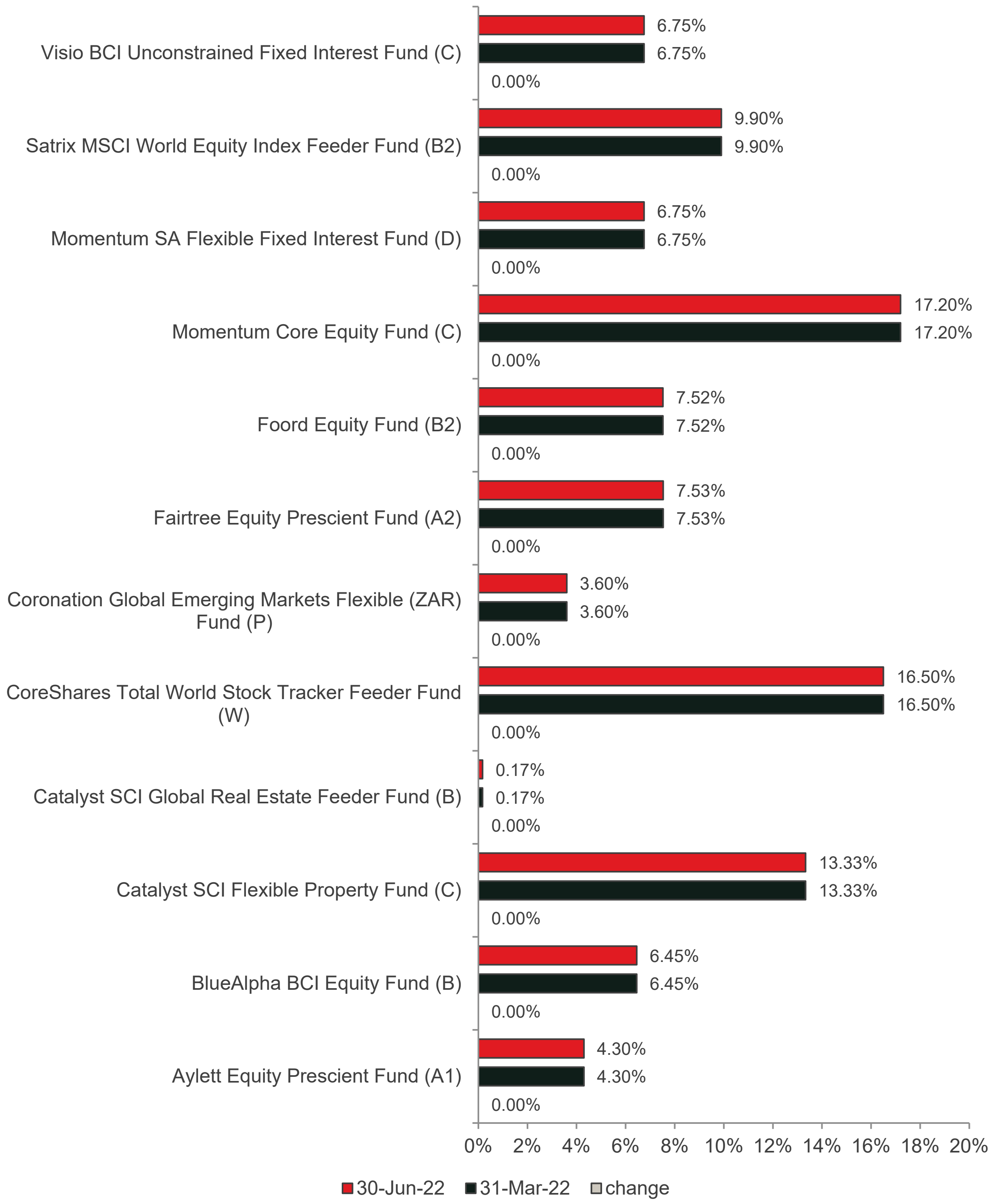
3.8.4. Portfolio changes

Based on the discussion in section 3.2 of the report and considering our asset class views and the current positioning of the portfolio, the below changes were made:

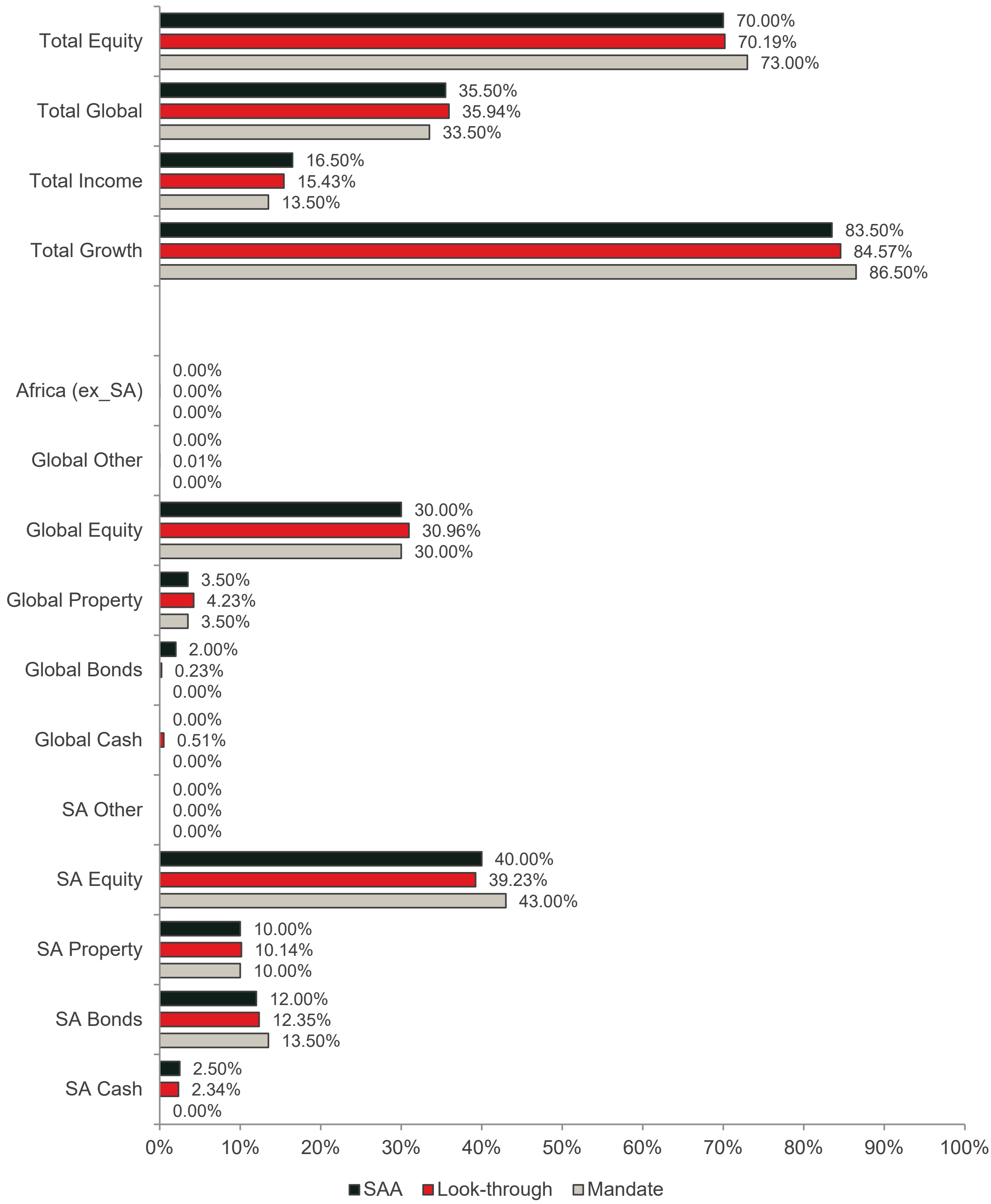
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.80%	**4.80%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.74%	**7.74%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.36%	**3.36%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.90%	**12.90%**	0.00%
Fairtree Equity Prescient Fund (A2)	8.40%	**8.40%**	0.00%
Foord Equity Fund (B2)	8.40%	**8.40%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.00%	**8.66%**	0.66%
Momentum Core Equity Fund (C)	19.20%	**19.20%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	8.00%	**8.67%**	0.67%
BlueAlpha BCI Equity Fund (B)	7.20%	**7.20%**	0.00%
Catalyst SCI Flexible Property Fund (C)	12.00%	**10.67%**	-1.33%
	100.00%	100.00%	0.00%

3.9. Equilibrium Unconstrained Portfolio

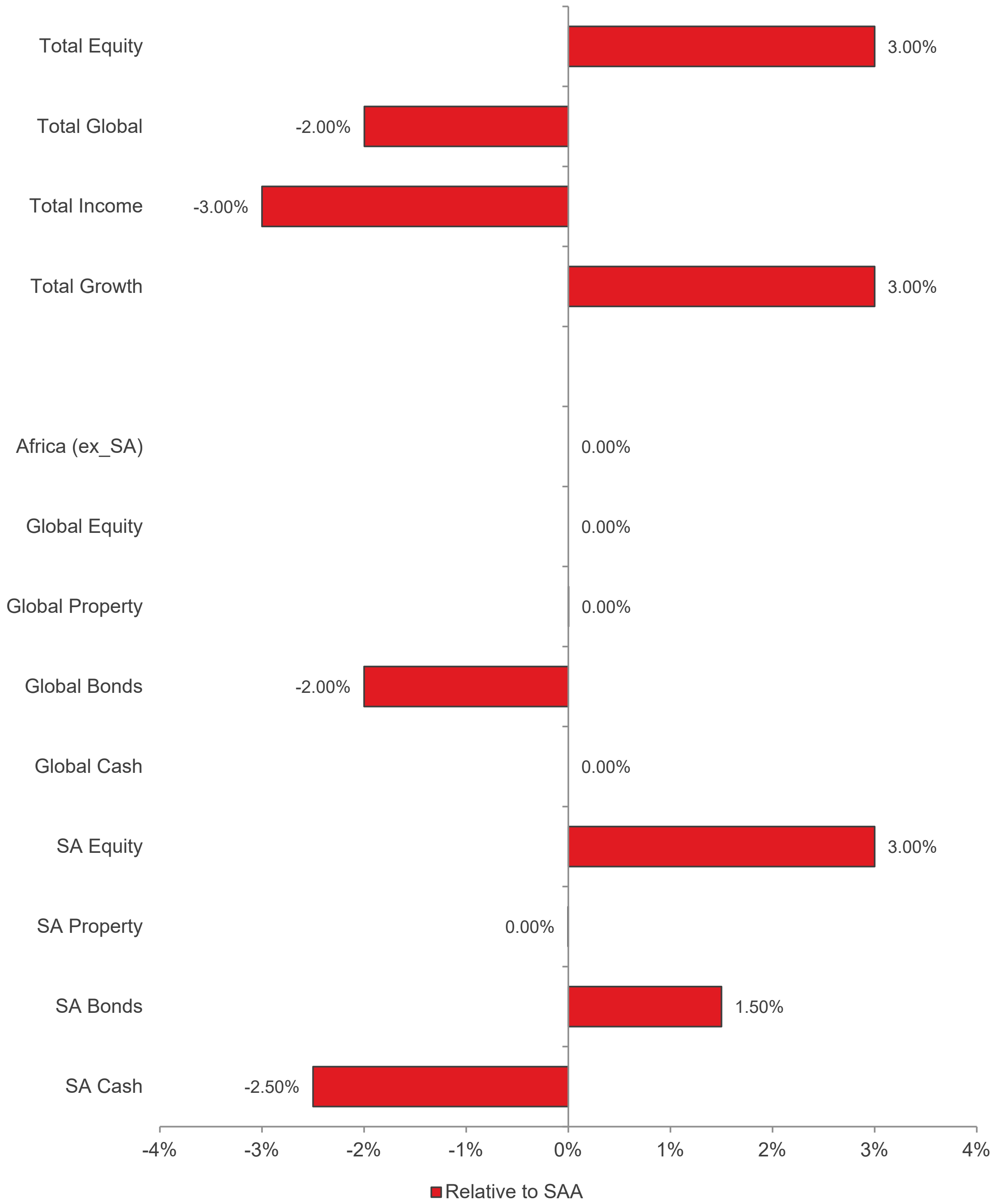
3.9.1. Building block allocation



3.9.2. Look-through asset allocation (as at 30 June 2022)



3.9.3. Look-through asset allocation: Relative to SAA



3.9.4. Portfolio changes

Based on the discussion in section 3.2 of the report and considering our asset class views and the current positioning of the portfolio, the below changes were made:

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.30%	**4.30%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	9.90%	**9.90%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.60%	**3.60%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	16.50%	**16.50%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.53%	**7.53%**	0.00%
Foord Equity Fund (B2)	7.52%	**7.52%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	6.75%	**8.08%**	1.33%
Momentum Core Equity Fund (C)	17.20%	**17.20%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	6.75%	**8.08%**	1.33%
BlueAlpha BCI Equity Fund (B)	6.45%	**6.45%**	0.00%
Catalyst SCI Flexible Property Fund (C)	13.33%	**10.67%**	-2.66%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.17%	**0.17%**	0.00%
	100.00%	100.00%	0.00%

4. Appendices

4.1. Glossary

- **Asset allocation as at 30 June 2022**

Total growth	Total allocation to local and global property and equity
Total income	Total allocation to local and global cash and bonds

- **Rolling x-year returns (ann.)**
  The historic average annualised return over an x-year time period. The rolling returns provide an indication of the **consistency** of the portfolio in meeting its return objective over the relevant investment horizon.

- **Rolling 12m absolute drawdown**
  The portfolio/benchmark's negative returns over historic 12-month periods. This shows the ability of the portfolio to protect capital over any historic 12-month period.

- **Rolling x-year drawdown (ann.) relative to goal**
  The historic average annualised return of the portfolio relative to its return objective over an x-year time period. The rolling drawdowns show the extent to which the portfolio has underperformed its return objective over the relevant investment horizon.

- **SAA – Strategic asset allocation**
  The optimised long-term benchmark asset allocation of the portfolio. It can be interpreted as the long-term average asset allocation that is expected to most efficiently deliver on a portfolio's risk and return objectives. The actual asset allocation may deviate from the SAA at any given point in time in order to express shorter term views on asset classes or as a result of market movements. The long-term SAA is optimised to deliver on predefined VAR targets measured over 12-month periods with a 95% likelihood. As the risk profile of portfolios increase, so will the VAR targets.

- **Value-at-risk**
  Value-at-risk (VAR) is a statistical measure which quantifies the risk of loss within a portfolio over a specific time frame. More simply, it is an estimate of the maximum loss one can expect from a specific portfolio over a set time period (in our case 12 months) with a given likelihood (in our case 95%). This is best understood by way of an example: For a portfolio with a -2.0% VaR target, this implies that there is a 95% likelihood that the worst return the portfolio is expected to deliver over any 12-month rolling period is -2.0%.

4.2. Disclaimers

These portfolios are administered and managed by Equilibrium Asset Management (Pty) Ltd (Equilibrium) (Reg. No. 2007/018275/07), an authorised financial services provider (FSP32726) and a part of Momentum Metropolitan Holdings Limited (Reg 1904/002186/06), rated B-BBEE level 1.

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The inception period (launch date) is the period since Equilibrium’s appointment to administer and manage the portfolios or the launch date of the portfolios. Returns before this date may be based on the portfolios’ pre-existing returns history, if any, or on a combination of calculation methodologies. Return calculation methodologies may include: simulated returns before the launch date of the portfolios based on the portfolios’ strategic asset allocation at the launch date, which would not reflect Equilibrium’s historic asset allocation views, or any changes, which would have been made to the portfolios’ holdings over time, money-weighted returns calculated on the total value of the portfolios with the size and timing of cash flows taken into account, or returns based on investments in tracker or index portfolios, which are time-weighted returns and the effect of cash flows are not taken into account. For simulated return calculations, the underlying fund’s retail share classes with the longest return histories have been used. For funds with limited return histories, the applicable index returns have been used. For the tracker or index portfolios, returns are after the deduction of the portfolio management fees and before the deduction of any platform administration fees (unless indicated for reports based on specific platforms) and before financial adviser fees. Returns for periods exceeding one year are annualised. The returns for the Consumer Price Index (CPI) are at the end of the previous month. The portfolios’ asset allocation is based on the weighted average of the underlying funds in which the portfolios invest using the latest available data. The portfolios’ asset allocation may differ from time to time due to market movements, changes to the portfolios and the underlying fund data and limitations. The underlying funds in the portfolios may contain exposure to assets that are invested globally, which may present additional risks. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions.

Equilibrium does not provide a guarantee on the value of the portfolios, nor does it guarantee the returns of the underlying funds in the portfolios. The investor acknowledges the inherent risk associated with the portfolios (currency, investment, market and credit risks) and that capital is not guaranteed. A switch transaction between underlying funds within the portfolios may incur capital gains tax (CGT) for the investor, should the product through which the investor buys the portfolios not be CGT exempt. For details on the underlying funds in the portfolios, please refer to the minimum disclosure documents, which are obtainable from the relevant investment managers. The information contained in this document is confidential, privileged and only for the use and benefit of the intended recipient and may not be used, published or redistributed without the prior written consent of Equilibrium, Momentum Metropolitan Holdings Limited or the Momentum Parties. Under no circumstances will Equilibrium, Momentum Metropolitan Holdings Limited or the Momentum Parties be liable for any cost, loss or damages arising out of the unauthorised dissemination of this document or the information contain herein.

Sources: Momentum Investments and Morningstar.