equilibrium
by momentum

Equilibrium

Quarterly Report

Q3 2022

This report is intended for the investment committee members only.

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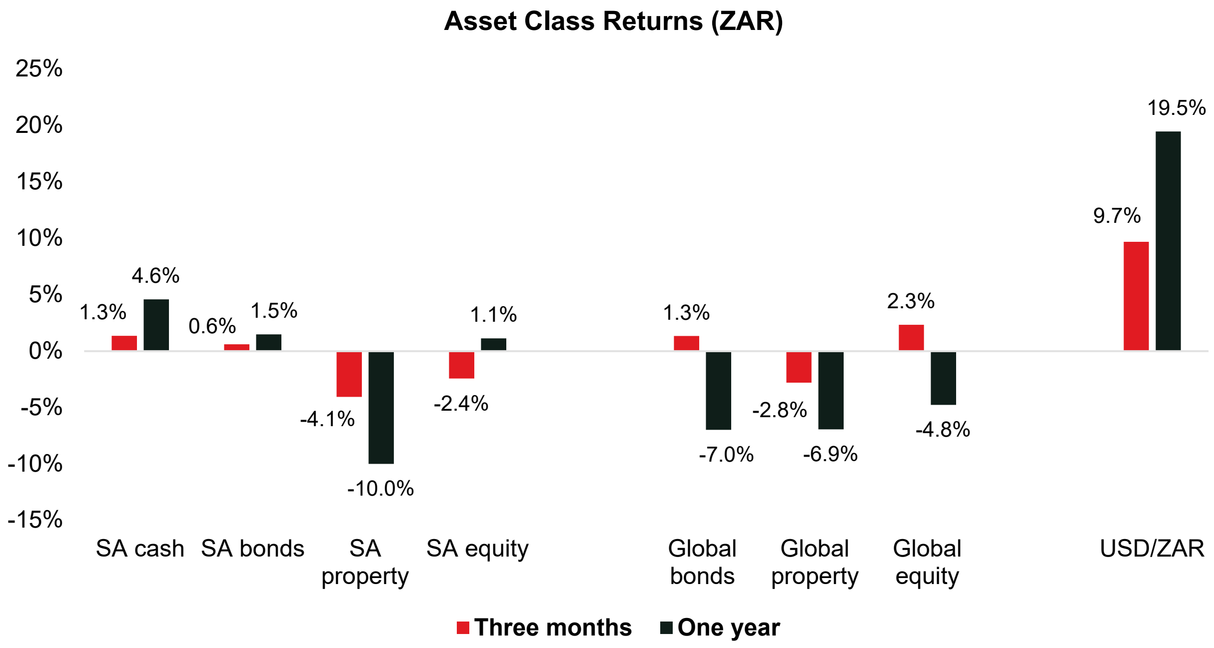
1. Performance overview

1.1. Quarterly market summary



The rebound in global markets during July proved to be short lived, with most asset classes ending August and September in negative territory. Investors experienced yet another tough quarter from both a local and global perspective. Sentiment was hampered by fears around the pace of monetary policy tightening in the US and the realisation that it would take some time to bring inflation under control. The market soon realised that the possibility of interest rate cuts from the US Federal Reserve (Fed) was unlikely over a near-term time horizon.

Global equities lost favour due to ongoing concerns of a global recession. This translates to fears around slowing economies, high wages, lower sales and subdued profitability for global equity stocks. In USD terms, global equities shed losses with the MSCI ACWI reporting -6.7%. The pressure was felt in both developed markets (DMs) and emerging markets (EMs). European equities weakened materially with the MSCI Europe Ex UK losing 9.9% in USD terms as a result of the ongoing energy crisis, rising inflation and consequent fears about the outlook for economic growth. US Stocks were less impacted with the S&P 500 reporting -4.9% (USD) in returns; dragged down by poor performance in the communication services sector, including both telecoms and media stocks. As a slight mitigation, the consumer discretionary and energy sectors delivered stronger performance. Similarly, EM equities fell by -11.4% due to risks of slowing global growth, heightened inflationary pressure and rising interest rates. Overall, the losses from global equities were mitigated by rand weakness, with the asset class closing the quarter up 2.3% in rand terms.

Global bonds were characterised by higher government bond yields and wider credit spreads, hampering market returns by -7.6% in USD terms. Focusing on the US, the Fed raised the federal funds rate by 0.75% to 3.25% in September; the third consecutive 0.75% increase. The European Central Bank (ECB) raised interest rates by 0.75% in September, following a rise of 0.5% in July. Eurozone CPI landed at a record high of 10% year-on-year, further aiding to the sell-off in global bond markets. The German 10-year yield increased from 1.34% to 2.11% in USD terms which caused downward pressure on bond prices. Uncertainty in global bond markets was further exacerbated by the UK's budgetary announcement on tax cuts resulting in a sharp sell-off in bonds as investors questioned the credibility of the UK government's fiscal framework. Although global bond markets extended losses of -7.6% in USD terms, these were offset by currency weakness resulting in 1.3% of positive returns in rand terms. Global property was the worst hit global asset class, falling -11.4% during the quarter while the rand weakness provided significant reprieve, with returns improving to -2.8% in rand terms.

With a focus on local asset classes, local equities continue to be negatively impacted by global factors with the FTSE/JSE Capped SWIX Index closing the quarter down 2.4% despite attractive valuations from the asset class. The biggest contributor to negative returns was the FTSE/JSE Financial 15 Index which lost -4.6% mainly as a result of a 24% drop in Capitec's share price. The FTSE/JSE SA Industrials Index also came under pressure (down -1.3%) in the quarter following fears around global growth while the FTSE/JSE SA Resources Index reported negative returns of -0.9% due to relatively lower commodity prices.

Headwinds continued in the South African property market with the ALPI declining by 4.1% during the quarter. Property companies were negatively impacted by a derating across office, retail and industrial sectors. The derating persisted despite improving fundamentals from high quality property companies such as lower vacancy rates and higher earnings growth.

Local bond returns were muted with the ALBI returning only 0.6% during the quarter as nominal bond yields sold off following the events in global markets. The sell-off later in the quarter was evident across the various maturities of the yield curve (short, medium and longer-dated bonds). The sell-off was also experienced on inflation-linked bonds, neglecting signs that South African inflation has peaked and monetary policy may become less hawkish. In comparison to the previous quarter, local cash displayed a slight uptick from 1.2% to 1.3% and continued to benefit from the interest rate hiking cycle.

Notably from a currency perspective, rand weakness during the quarter was characterised by activity on the US dollar side. Following ongoing risk aversion and fears of a recession in the US economy, there was an ongoing and sharp sell-off in emerging market currencies and the rand was not spared, losing 9.7% against the US dollar.

1.2. Manager returns and comments

Trailing returns as at 30 September 2022:

	3m	6m	9m	1y	3y (ann.)	5y (ann.)	7y (ann.)
Momentum Enhanced Yield D	1.01%	2.42%	3.81%	5.22%	5.79%	-	-
MI-PLAN IP Enhanced Income B1	1.39%	2.58%	4.15%	6.40%	7.81%	-	-
Prescient Income Provider A2	1.38%	1.88%	2.94%	5.37%	5.71%	6.80%	7.39%
Stefi	**1.35%**	**2.52%**	**3.57%**	**4.59%**	**4.86%**	**5.83%**	**6.27%**
(ASISA) South African MA Income	*1.18%*	*1.43%*	*2.48%*	*4.40%*	*5.62%*	*6.48%*	*6.83%*
Momentum SA Flexible Fixed Interest D	0.39%	-4.81%	-2.78%	0.92%	3.97%	-	-
Visio BCI Unconstrained Fixed Intst C	1.57%	1.21%	2.24%	4.88%	7.32%	7.75%	-
ALBI	**0.60%**	**-3.14%**	**-1.34%**	**1.48%**	**5.74%**	**7.13%**	**7.36%**
Aylett Equity Prescient A1	1.46%	-11.16%	-5.12%	8.71%	12.81%	9.78%	10.07%
BlueAlpha BCI Equity B	-0.92%	-12.61%	-13.53%	-2.87%	-	-	-
Fairtree Equity Prescient A2	-1.97%	-8.89%	-2.01%	9.03%	17.34%	12.59%	12.41%
Foord Equity B2	-1.21%	-5.89%	-3.94%	-0.24%	7.93%	2.09%	2.73%
Momentum Core Equity C	-2.00%	-13.51%	-6.55%	1.80%	8.65%	6.46%	-
FTSE/JSE Capped SWIX TR	**-2.43%**	**-12.82%**	**-6.96%**	**1.12%**	**7.77%**	**4.16%**	**4.85%**
(ASISA) South African EQ General	*-1.53%*	*-10.48%*	*-6.75%*	*2.08%*	*7.94%*	*4.58%*	*4.79%*
Catalyst SCI Flexible Property C	-4.37%	-13.76%	-18.13%	-10.10%	-4.61%	-	-
Flexible Property Composite	**-3.35%**	**-13.43%**	**-16.88%**	**-8.08%**	**-5.36%**	**-4.01%**	**-0.94%**
Catalyst SCI Global Real Estate FF B	-5.37%	-12.57%	-23.63%	-10.91%	-0.08%	6.44%	5.73%
FTSE EPRA/NAREIT TR ZAR	**-2.80%**	**-9.87%**	**-20.62%**	**-6.94%**	**-0.13%**	**5.96%**	**6.25%**
(ASISA) Global RE General	*-5.17%*	*-12.77%*	*-23.14%*	*-10.22%*	*-0.95%*	*4.29%*	*4.18%*
CoreShares Total Wld Stck Trckr Fdr W	1.18%	-4.11%	-17.18%	-7.67%	8.79%	-	-
Coronation Global Em Mkts Flex [ZAR] P	2.95%	-1.55%	-30.42%	-30.45%	-4.82%	-2.10%	5.65%
Satrix MSCI World Equity Index FF B2	2.66%	-3.83%	-15.22%	-3.90%	10.42%	11.22%	11.91%
MSCI AC World TR ZAR	**2.33%**	**-3.16%**	**-16.02%**	**-4.77%**	**10.31%**	**11.14%**	**12.04%**
MSCI World TR ZAR	**3.02%**	**-3.11%**	**-15.79%**	**-3.53%**	**11.18%**	**12.08%**	**12.57%**
MSCI EM ZAR	**-2.83%**	**-3.48%**	**-17.77%**	**-13.75%**	**4.02%**	**4.36%**	**8.19%**
(ASISA) Global EQ General	*1.26%*	*-3.56%*	*-17.10%*	*-9.30%*	*7.36%*	*7.84%*	*9.04%*
Coronation Glbl Strat USD Inc [ZAR]FF P	9.07%	20.73%	9.21%	15.75%	6.40%	7.20%	5.32%
1nvest Global Govt Bond Index FF B1	3.09%	4.96%	-9.88%	-5.89%	-1.51%	-	-
Citigroup WGBI	**1.34%**	**3.43%**	**-11.45%**	**-6.99%**	**-1.61%**	**2.64%**	**2.43%**
FTSE G7 Bond Index	**1.57%**	**4.24%**	**-10.74%**	**-6.10%**	**-1.41%**	**2.88%**	**2.51%**

Income

Momentum Enhanced Yield underperformed the STeFI composite index by 0.3% over the quarter. The underperformance occurred in September because of a change in valuation methodology adopted by the JSE in respect of Inverse FRNs. Under this new methodology, the mark-to-market on the Inverse FRNs held by the fund resulted in an aggregate loss of approximately 0.5% for the fund. The fund however continues to benefit from the rate-hiking cycle adopted by the SARB as well as the high-yields on longer-term paper that is priced in the market based on the expectation of future rate hikes.

MI-Plan IP Enhanced Income marginally outperformed the STeFI composite index over the quarter. While most of the fund's floating instruments outperformed the benchmark, this was offset by its bond exposure which underperformed STeFI in aggregate. Further to this, despite the weakening of the rand, the fund's marginal global exposures through Coca-Cola and a global property fund detracted from performance given the rout in global markets.

Prescient Income Provider marginally outperformed the STeFI composite index over the quarter. The fund outperformed in July and August as a result of their longer duration, with nominal bonds showing a slight recovery from the sell-off in June. The fund however underperformed in September as most asset classes sold off amid global uncertainty. The fund's offshore holdings detracted once again as they sold off in their respective currencies but not benefitting from rand weakness given that Prescient has opted to hedge out all currency exposure in the fund. The fund continues to benefit from the higher yields on offer in the fixed income market, with the 12m forward yield sitting at 9.5% as at the end of September.

Local Bonds

Momentum SA Flexible Fixed Interest underperformed the ALBI by 0.2% 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 1.0% over the quarter. The outperformance during the quarter was predominantly a result of the sell-off in nominal yields given their short-duration positioning while low exposure to inflation-linked bonds, particularly long dated ones, cushioned the fund from large capital losses. The gradual increase in exposure to floating rate instruments also provided further yield pick-up for the fund.

Local Equity

Aylett Equity Prescient outperformed the Capped SWIX by 3.9% over the quarter. The fund continues to benefit from the outperformance of the value factor both locally and globally, however its stock selection was the primary contributor to outperformance, with underweight positions in Sasol, Capitec and Naspers/Prosus as well as overweight positions in Astoria, Tsogo Sun Gaming and BHP Group contributing the most to relative performance.

BlueAlpha BCI Equity outperformed the Capped SWIX by 1.5% over the quarter. The primary contributors to performance were two of the fund's largest overweight positions, namely Shoprite and Glencore, as well as its overweight position in Woolworths, while its overweight position in Capitec detracted from performance. The fund also benefitted significantly from its global exposure given the weakening of the rand, with McKesson Corp and Marriott the biggest contributors at a stock level.

Fairtree Equity Prescient outperformed the Capped SWIX by 0.5% over the quarter. From a sectoral perspective, the underweight and overweight positions to diversified financials and energy respectively were the largest contributors to alpha, while the overweight position to diversified miners detracted. From a stock selection perspective, performance was positively impacted by positions in Thungela, Glencore, ARM, ABSA and Richemont while positions in Sasol, Prosus, Northam, Anheuser-Busch and Harmony detracted from the performance.

Foord Equity outperformed the Capped SWIX by 1.2% over the quarter, with their sectoral allocations being the main driver of performance. In particular, the overweight position to consumer stocks (excl. retail) as well as the underweight positions to diversified financials, telecoms and banks were the largest contributors from a sectoral perspective. From a stock selection perspective, their overweight positions in Massmart and Richemont as well as their underweight positions in Capitec and MTN contributed to performance, while underweight positions in Absa, Thungela and Glencore detracted from performance.

Momentum Core Equity outperformed the Capped SWIX by 0.4% over the quarter. The value and quality components contributed to its relative performance, outperforming the Capped SWIX by 2% and 0.1% respectively, while the momentum (factor) component detracted, underperforming by 0.5%. From a sectoral perspective, the fund's overweight position to energy was the largest contributor to it relative performance, with the underweight position to consumer related sectors detracting from performance. From a stock selection perspective, the fund's overweight positions in Exxaro, BHP Group and ARM contributed to performance, while overweight positions in Kumba Iron Ore and Investec as well as an underweight position in Thungela detracted from performance.

Flexible Property

Catalyst SCI Flexible Property underperformed the composite benchmark by 1.0% over the quarter. From a tactical asset allocation perspective, the underweight position to SA property and overweight cash position contributed positively to performance while the overweight position to global property detracted from performance. From a stock selection perspective, the main detractors from performance were overweight positions in Big Yellow and Segro which underperformed the benchmark and the underweight positions in Attacq, Emira and Fortress B which outperformed the benchmark.

Global Property

Catalyst SCI Global Real Estate underperformed the FTSE EPRA/NAREIT Total Return Index by 2.6% over the quarter. The parent fund however outperformed the benchmark by 0.7% over the quarter. The lag on the feeder fund was driven by timing issues, with the rally in the parent fund in the last trading day only coming through after month end in the feeder fund. In the parent fund, the primary contributors to performance at a regional and sectoral level were the overweight allocations to North American Single Family Housing, Gaming Net Lease and Industrial as well as the underweight allocations to North American Data Centres and Net Lease as well as UK Diversified. At a stock level, the primary contributors were overweight allocations to Life Storage and Invitation Homes and an underweight allocation to Digital Realty Trust, while overweight allocations to Big Yellow Group and Segro Plc detracted.

Global Equity

CoreShares Total World Stock Tracker underperformed the MSCI ACWI by 1.1% 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 0.6% over the quarter despite emerging markets significantly underperforming developed markets. Relative to the MSCI EM Index, the fund outperformed by 5.8% over the quarter. Relative to the MSCI EM, the fund's major contributors were stocks which fell aggressively in Q2 and recovered sharply in Q3, namely pan-Latam ecommerce and fintech group Mercado Libre, Korean e-commerce retailer Coupang and Brazilian energy company Petrobras. These three companies alone added 3.0% to alpha.

Satrix MSCI World Equity Index outperformed the MSCI ACWI by 0.3% over the quarter, as developed markets outperformed 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 7.7% 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 outperformed the Citigroup WGBI by 1.8% over the quarter and also outperformed its own benchmark, the FTSE G7 Bond Index, by 1.5%. 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

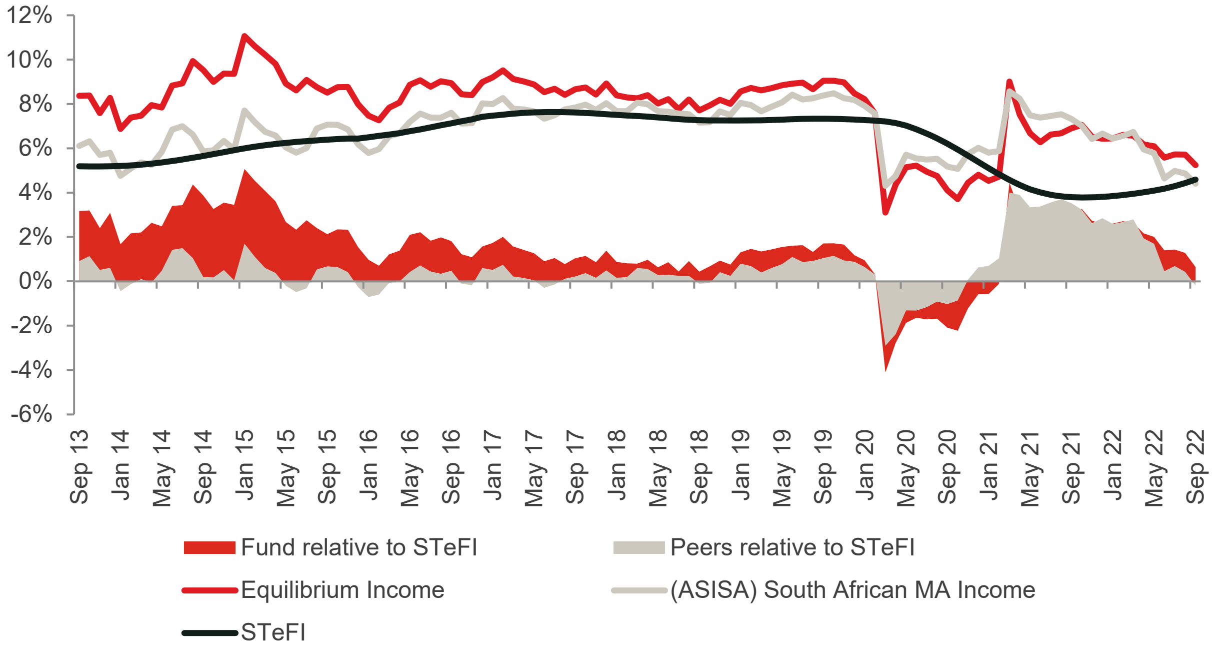
Figure 1.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Income	**1.3%**	**2.1%**	**5.2%**	**5.4%**	**6.6%**	**7.2%**	**6.7%**	**63**
Benchmark: STeFI	1.3%	2.5%	4.6%	4.9%	5.8%	6.3%	5.9%	
(ASISA) South African MA Income	*1.2%*	*1.4%*	*4.4%*	*5.6%*	*6.5%*	*6.8%*	*6.6%*	

**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 September 2022 *



	Equilibrium Income	(ASISA) South African MA Income
Number of observations	109	
Period outperforming	97	83
Realised probability of outperforming	**89%**	76%
Max outperformance p.a.	**5.1%**	4.0%
Max underperformance p.a.	**-4.1%**	-2.9%

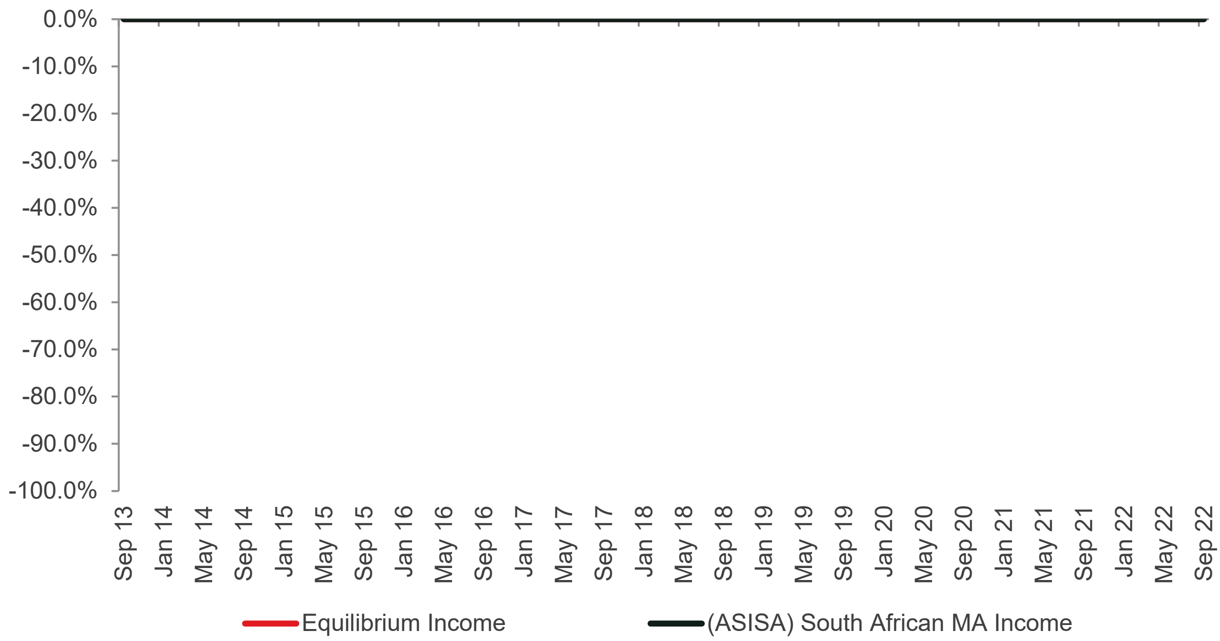
- Over the last 10 years, the portfolio outperformed its benchmark during 89% of the rolling 1-year periods. This compares favourably with the peer group, which only outperformed during 76% of the 1-year periods.

Figure 1.3: Portfolio performance relative to goal*

- The above table shows the progression of the annualised returns relative to the STeFI benchmark over the measurement period up to 30 September 2022. The portfolio managed to outperform the STeFI benchmark at the end of the measurement period, although the magnitude of outperformance has reduced.

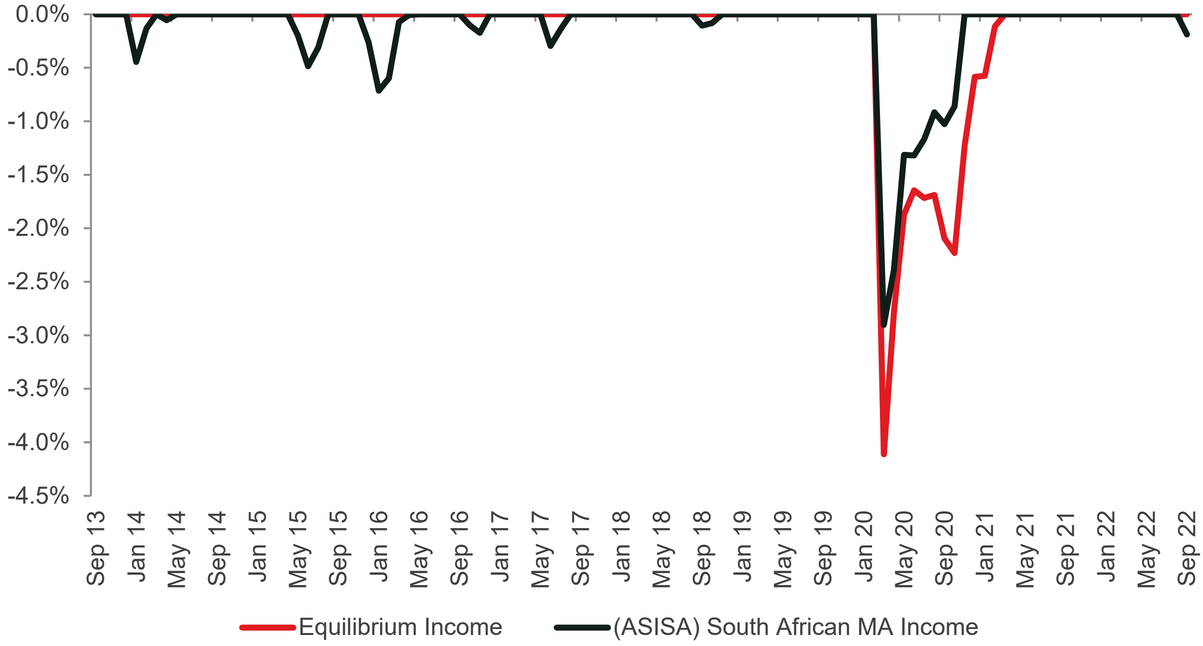
2.1.2. Risk

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



- Over the total period to 30 September 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

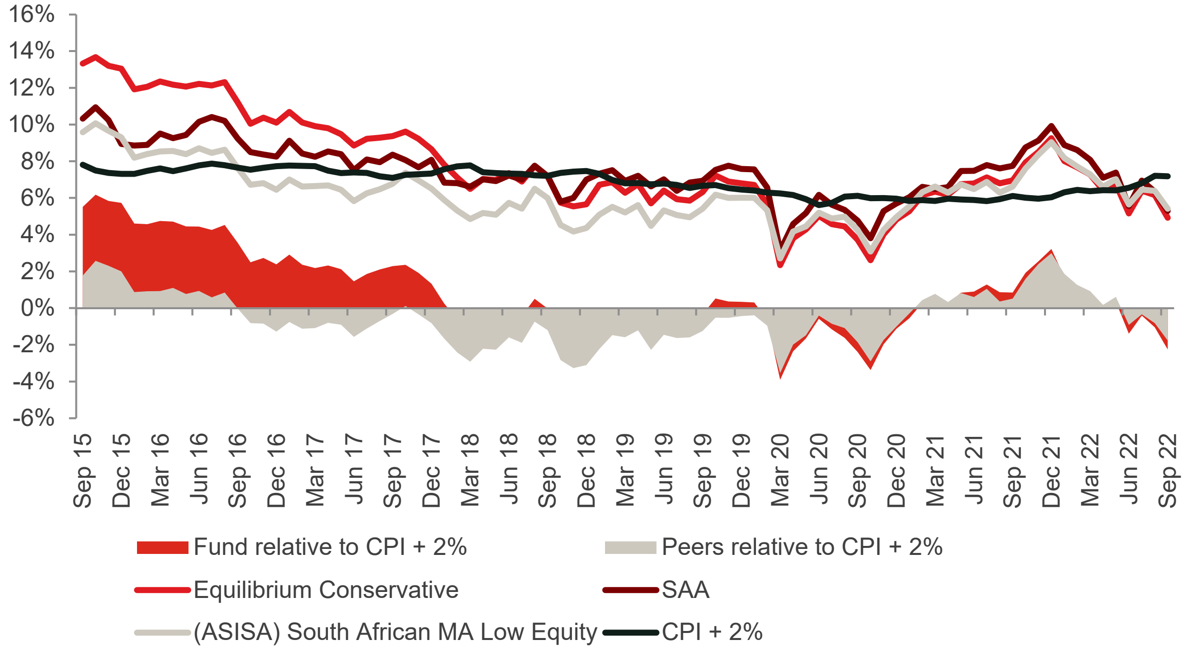
Figure 2.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Conservative	0.4%	-3.5%	0.6%	4.9%	5.3%	6.1%	5.7%	63
Benchmark: CPI + 2%	3.3%	6.1%	9.6%	7.2%	7.0%	7.1%	6.8%	
SAA	0.2%	-4.1%	0.4%	5.3%	5.8%	6.4%	6.4%	
(ASISA) South African MA Low Equity	*0.5%*	*-2.4%*	*1.5%*	*5.4%*	*5.2%*	*5.6%*	*5.7%*	

**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 underperformed its CPI + 2% benchmark by 2.3% p.a. over the 3-year period to 30 September 2022. It also underperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.2% over the last 12 months, net of all investment related fees.

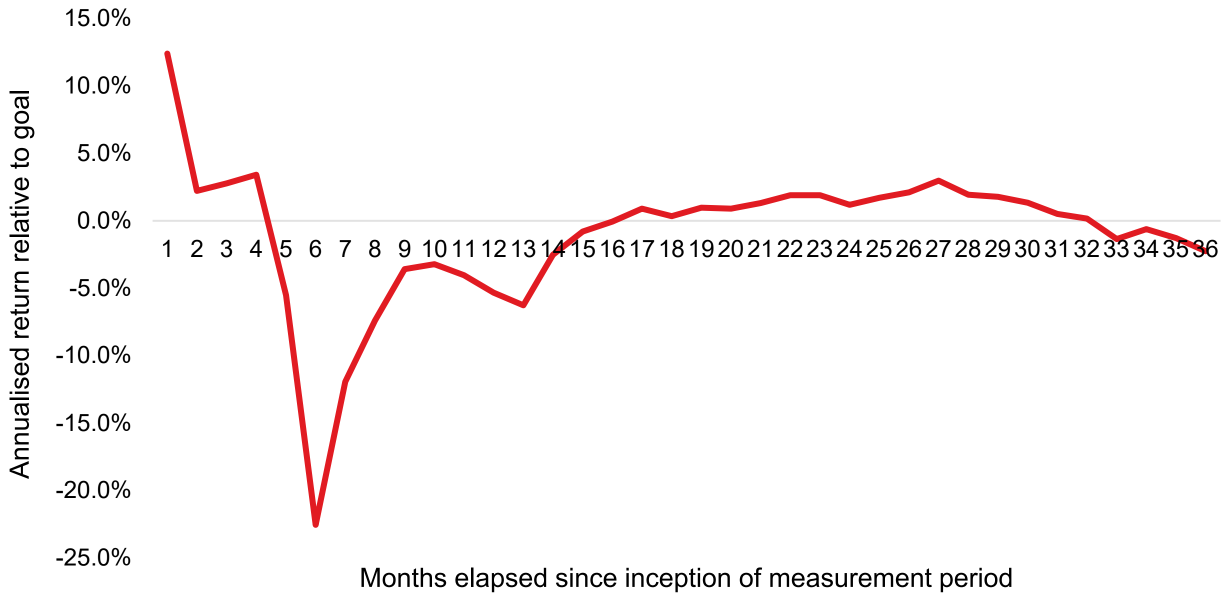
Figure 2.2: Rolling 3-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Conservative	(ASISA) South African MA Low Equity
Number of observations	85	
Period outperforming	50	29
Realised probability of outperforming	59%	34%
Max outperformance p.a.	6.2%	3.0%
Max underperformance p.a.	-3.9%	-3.5%

- Over the last 10 years, the portfolio outperformed its benchmark on 59% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 34% of the rolling 3-year periods.

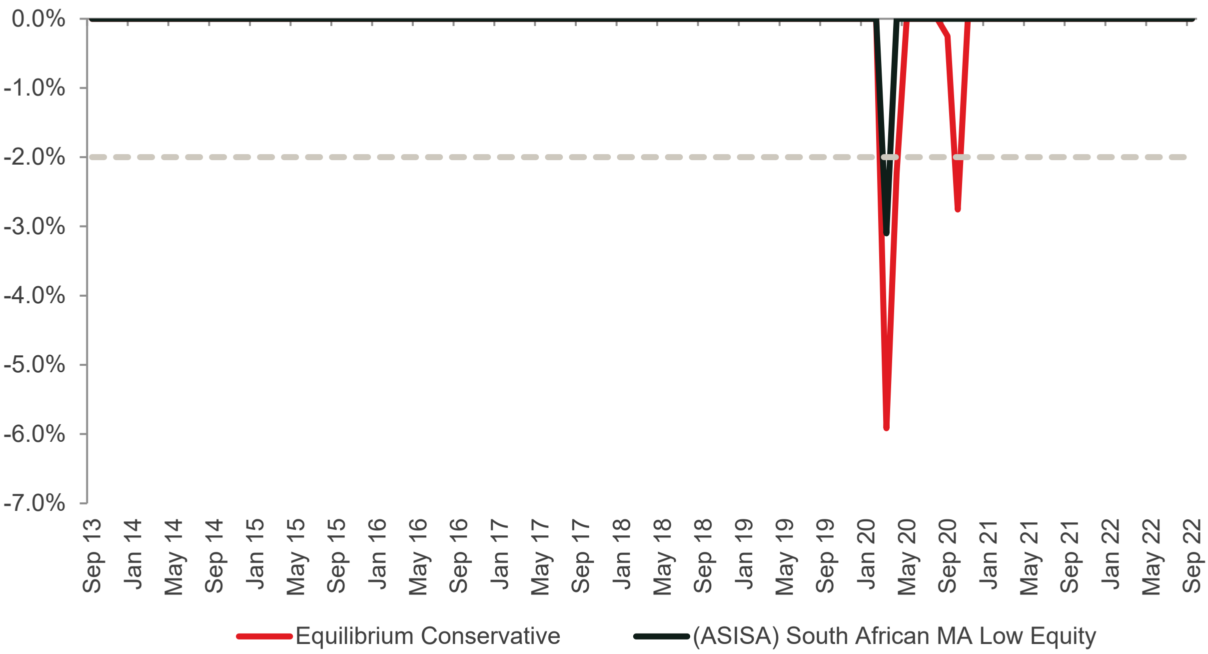
Figure 2.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 September 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.

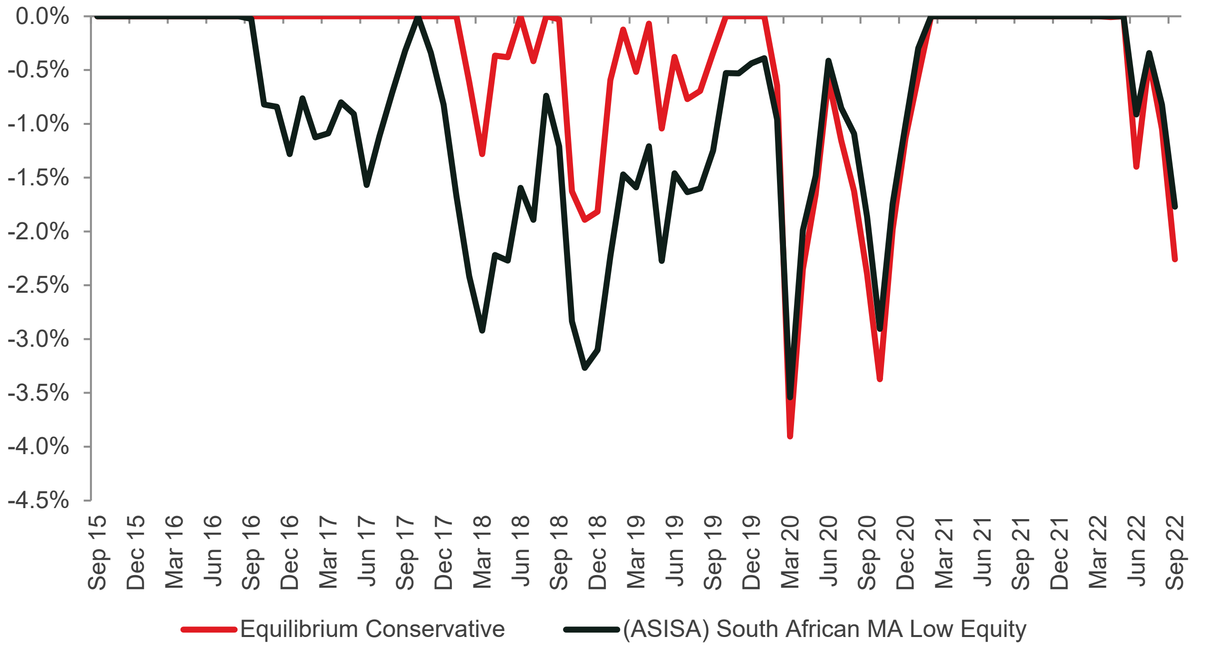
2.2.2. Risk

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

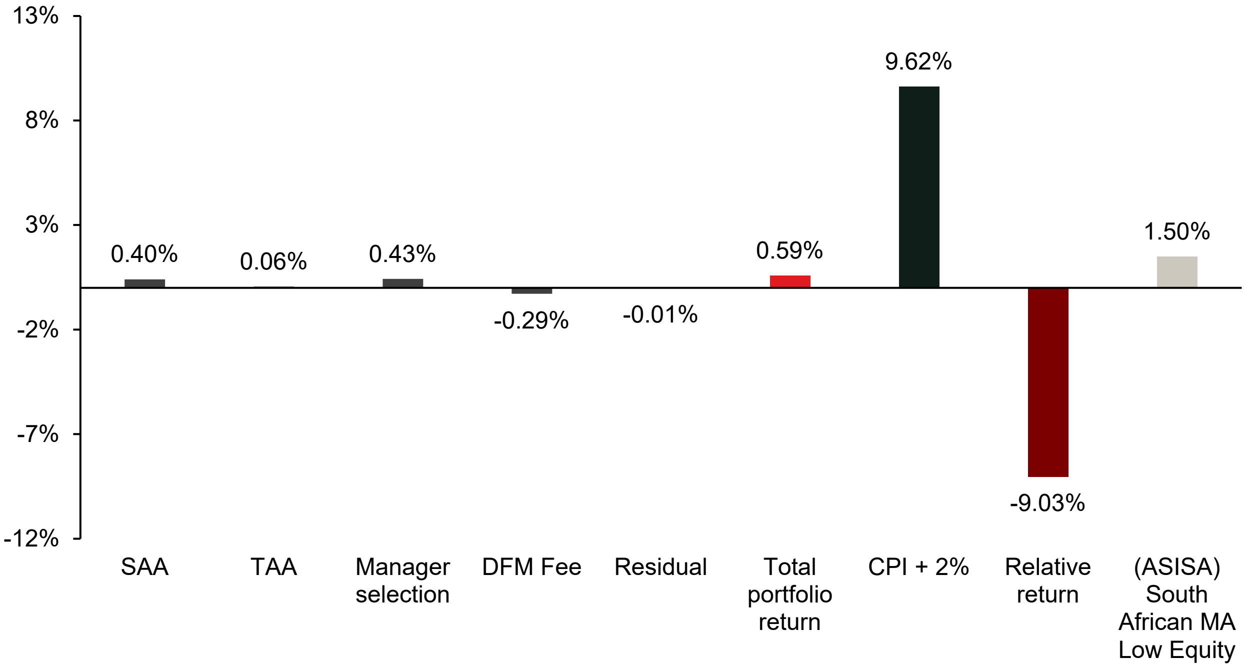


Figure 2.7: Strategic asset allocation effects: 12 months to 30 September 2022

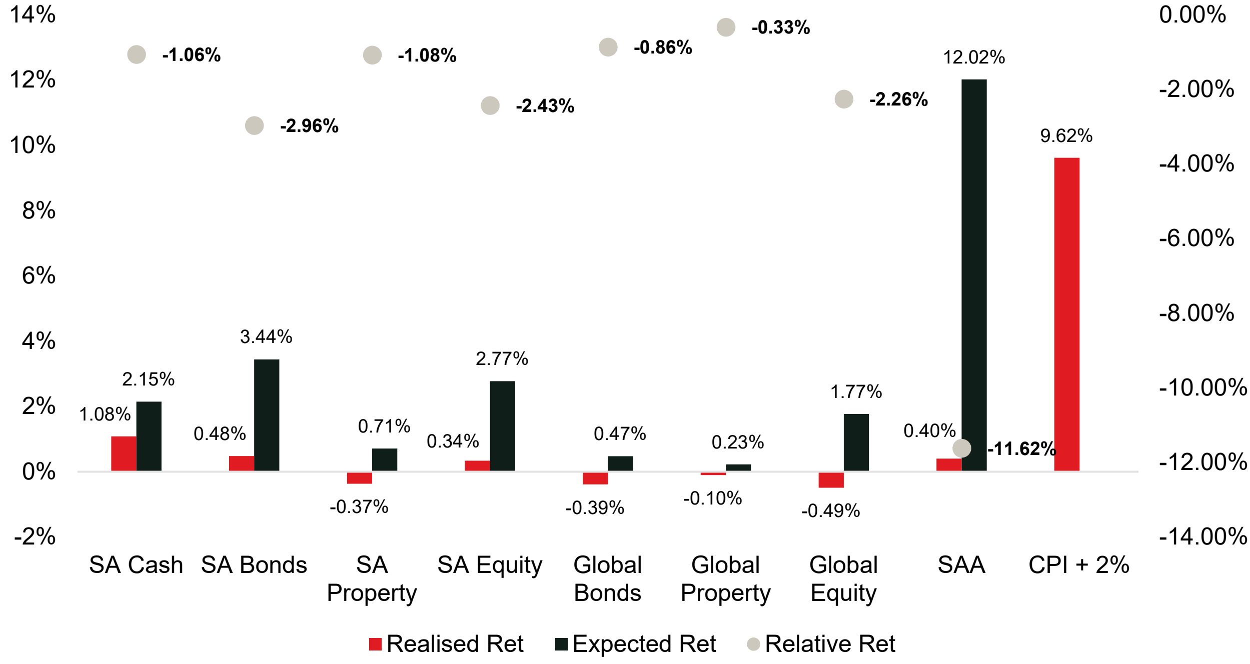


Figure 2.8: Tactical asset allocation effects: 12 months to 30 September 2022

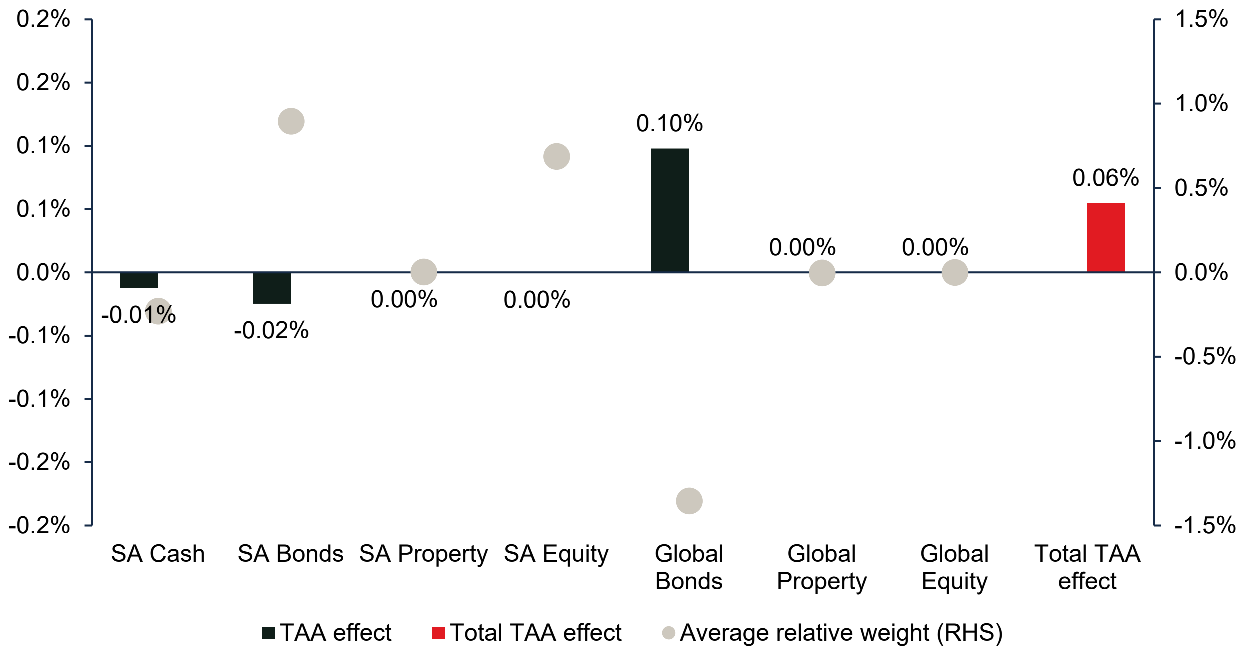


Figure 2.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

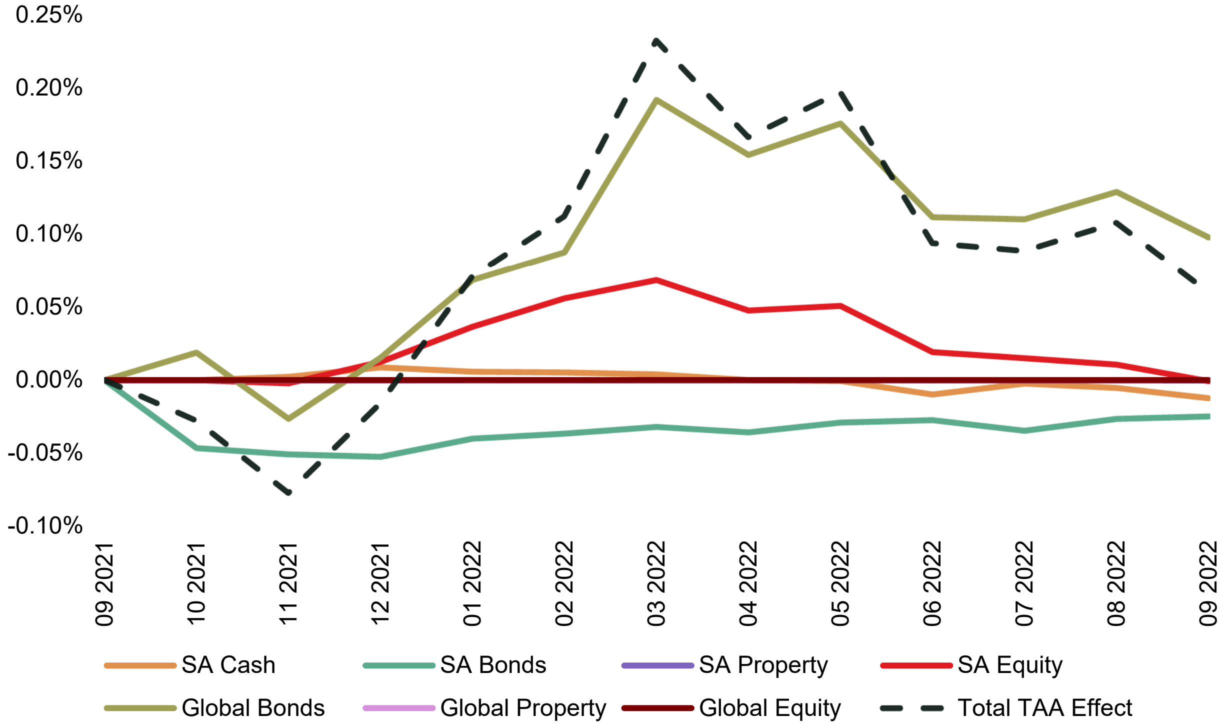


Figure 2.10: Manager selection effects: 12 months to 30 September 2022

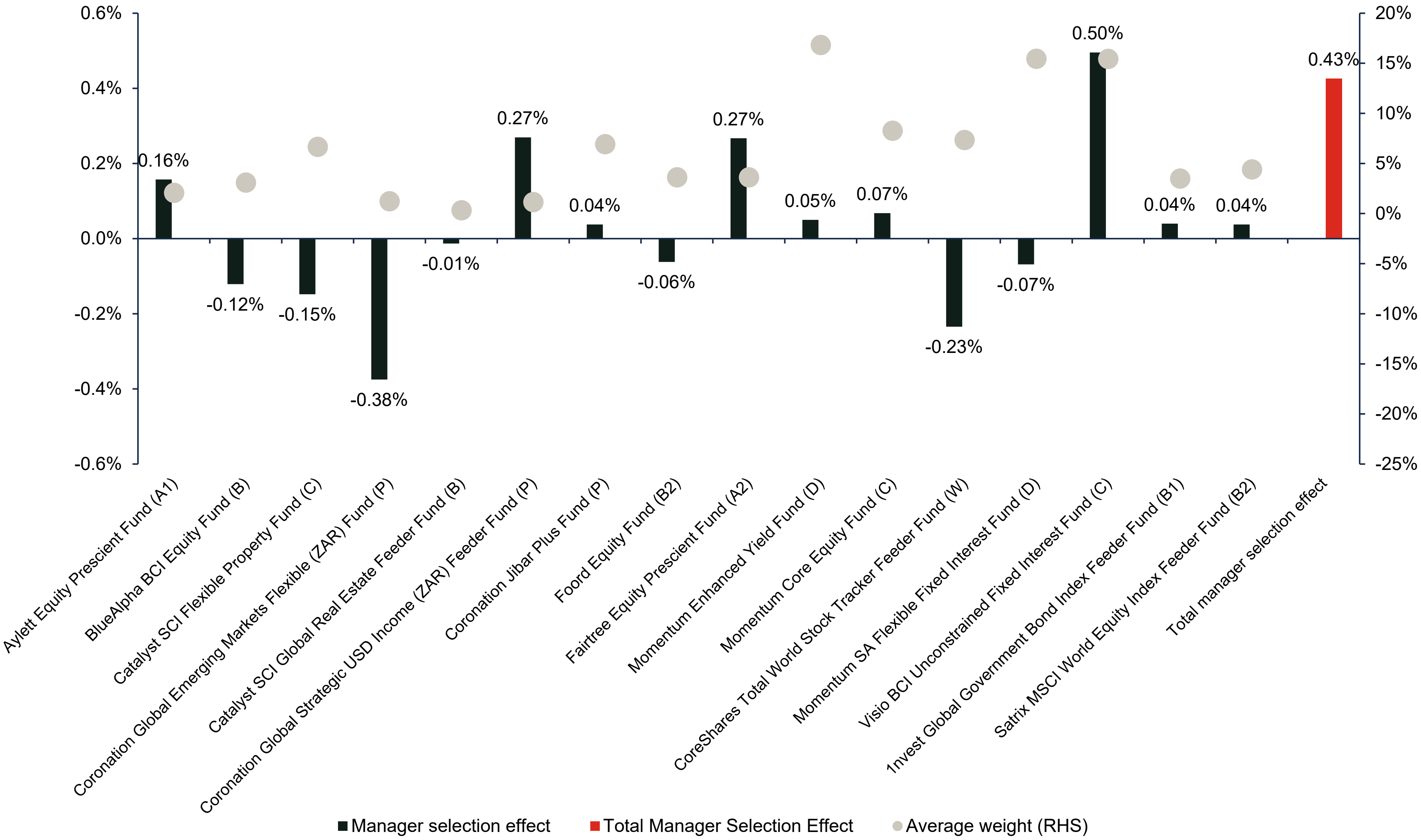
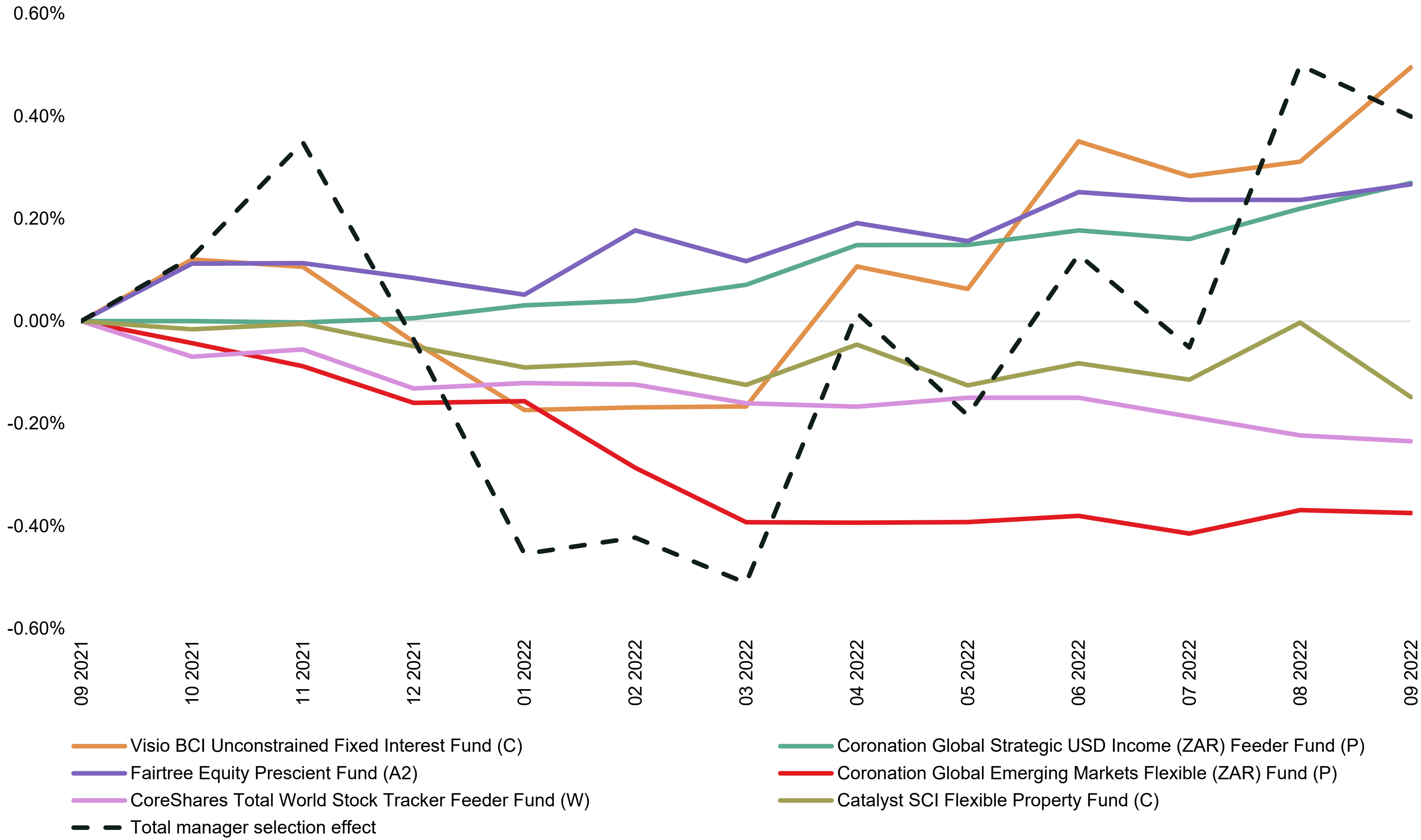


Figure 2.11: Cumulative manager selection effects: 12 months to 30 September 2022



2.3. Equilibrium Stable Portfolio

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

2.3.1. Returns

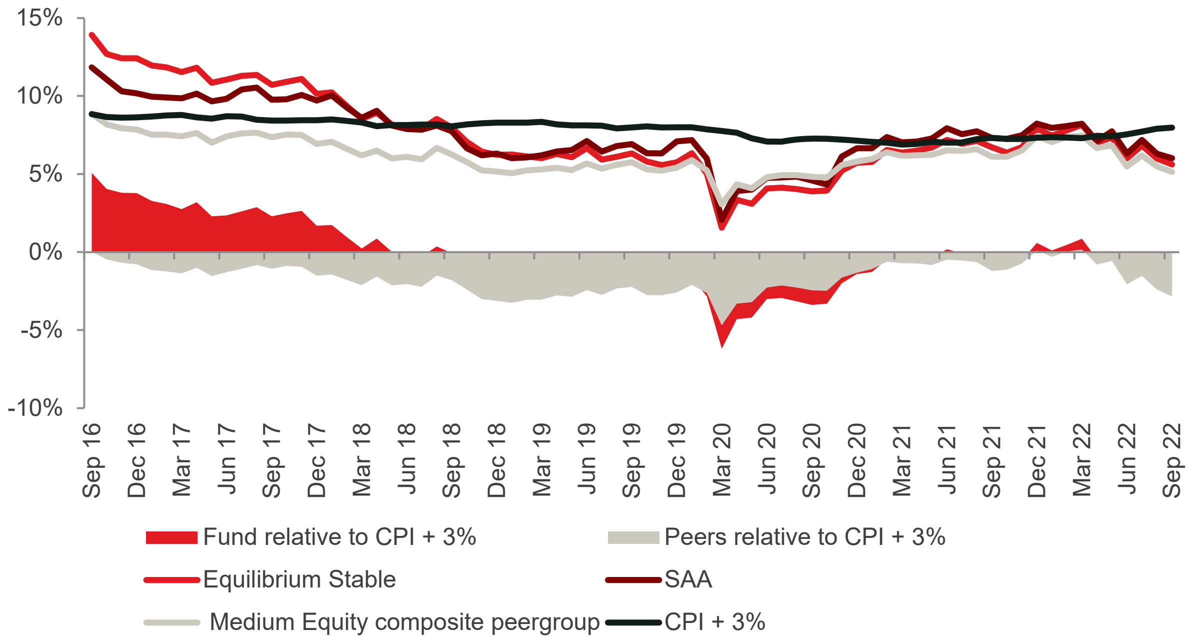
Figure 3.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Stable	0.2%	-4.9%	-0.4%	8.9%	5.6%	5.5%	5.8%	63
Benchmark: CPI + 3%	3.5%	6.6%	10.6%	9.3%	8.0%	7.9%	7.8%	
SAA	0.0%	-5.6%	-0.3%	9.1%	6.0%	6.1%	6.5%	
Medium Equity composite peer group	0.3%	-4.3%	0.9%	6.2%	5.1%	5.3%	5.5%	

**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 2.4% p.a. over the 4-year period to 30 September 2022. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.1% over the last 12 months, net of all investment related fees.

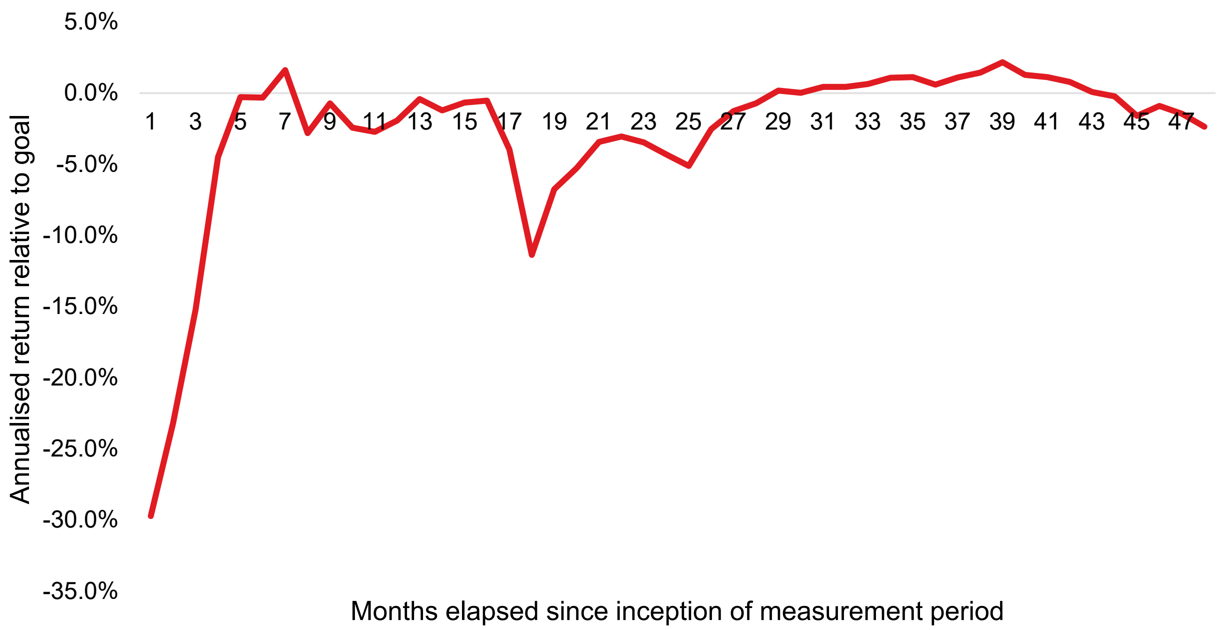
Figure 3.2: Rolling 4-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Stable	Medium Equity composite peer group
Number of observations	73	
Period outperforming	27	4
Realised probability of outperforming	37%	5%
Max outperformance p.a.	5.1%	0.2%
Max underperformance p.a.	-6.2%	-4.7%

- Over the last 10 years, the portfolio outperformed its benchmark on 37% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 5% of the rolling 4-year periods.

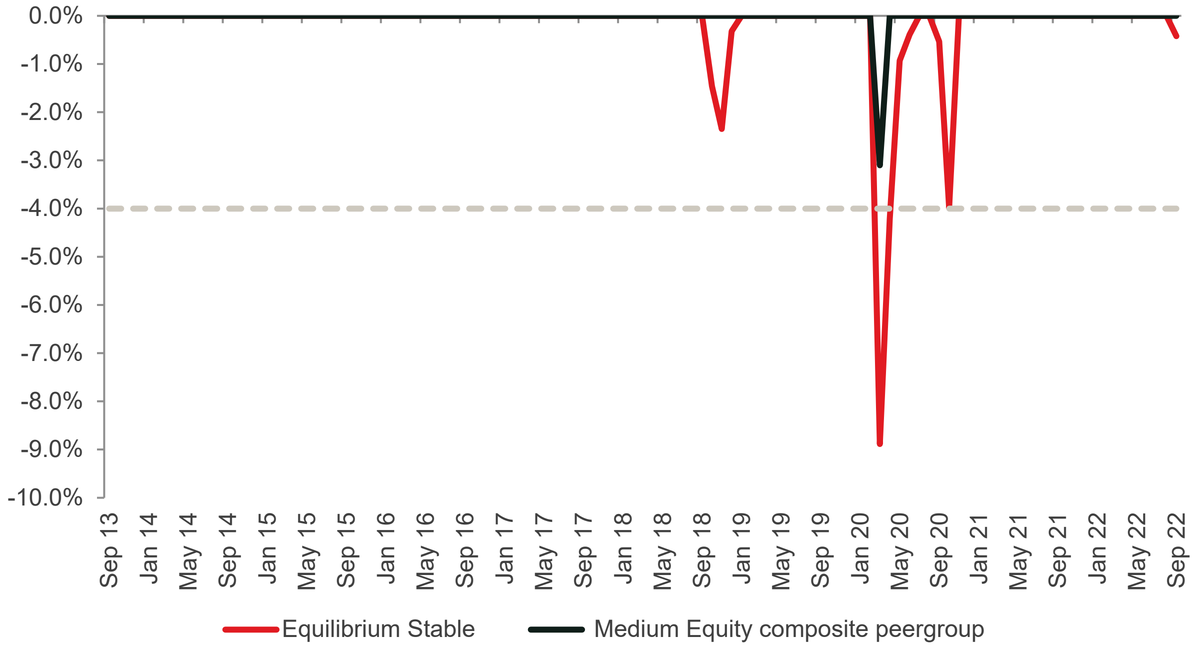
Figure 3.3: Portfolio performance relative to goal*



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

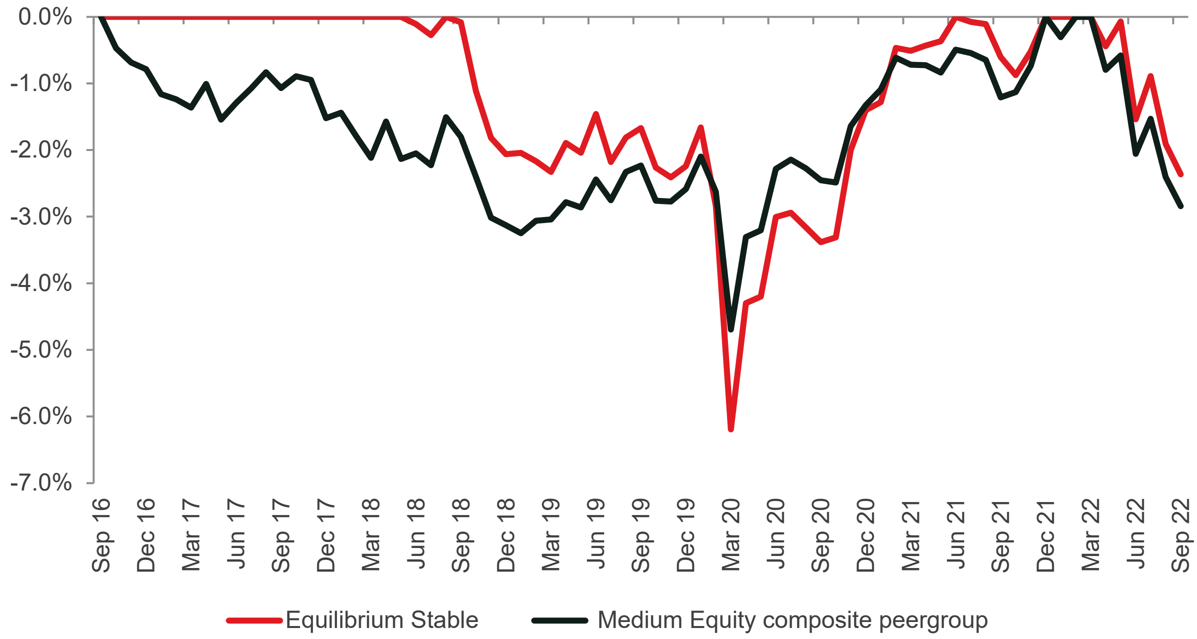
2.3.2. Risk

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



- Even though the portfolio underperformed its benchmark over rolling 4 years, except for the 2020 period, it was to a lesser extent than the peer group. It also 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 September 2022

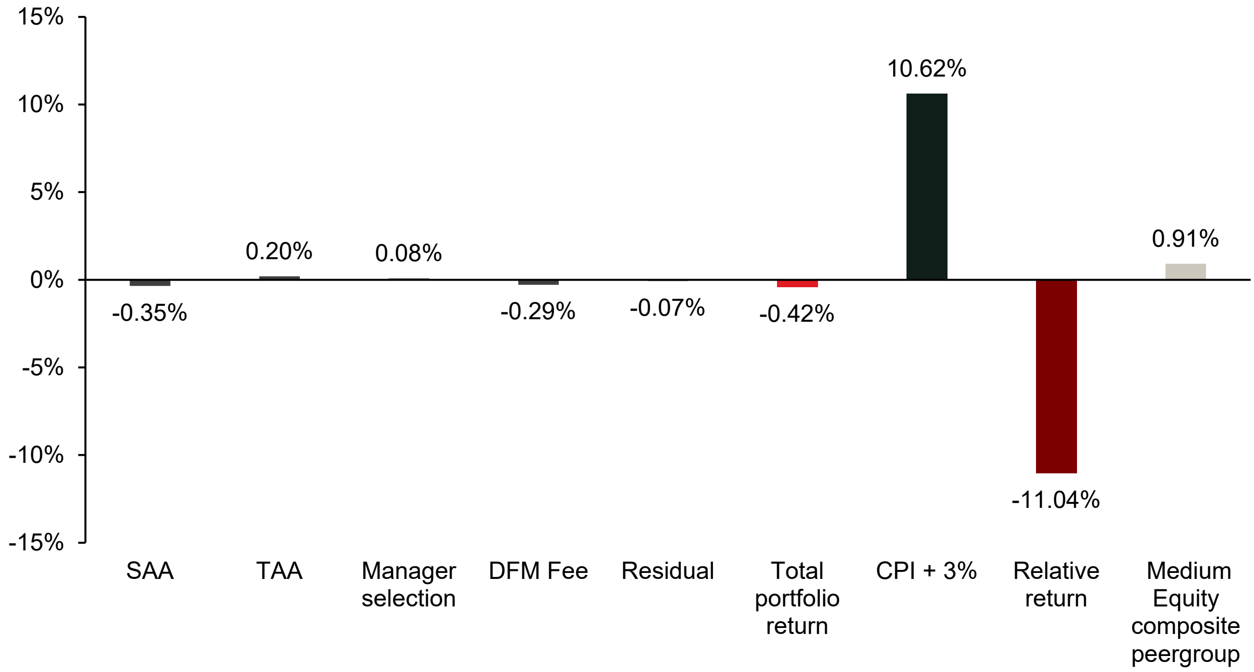


Figure 3.7: Strategic asset allocation effects: 12 months to 30 September 2022

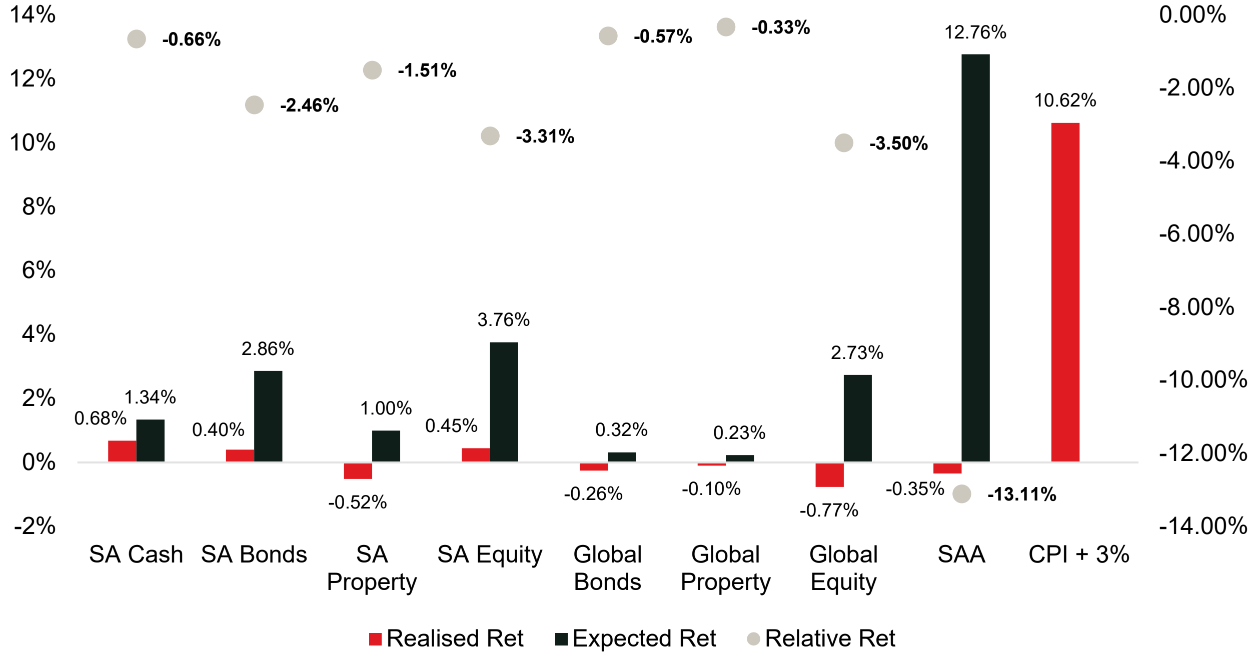


Figure 3.8: Tactical asset allocation effects: 12 months to 30 September 2022

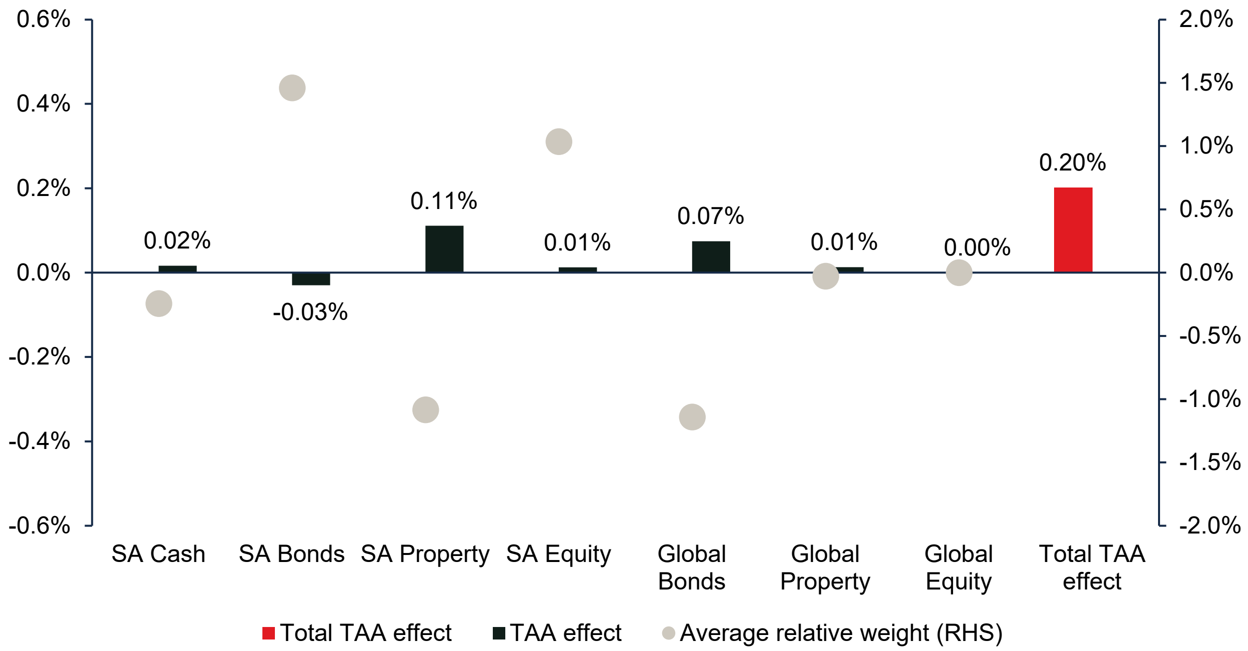


Figure 3.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

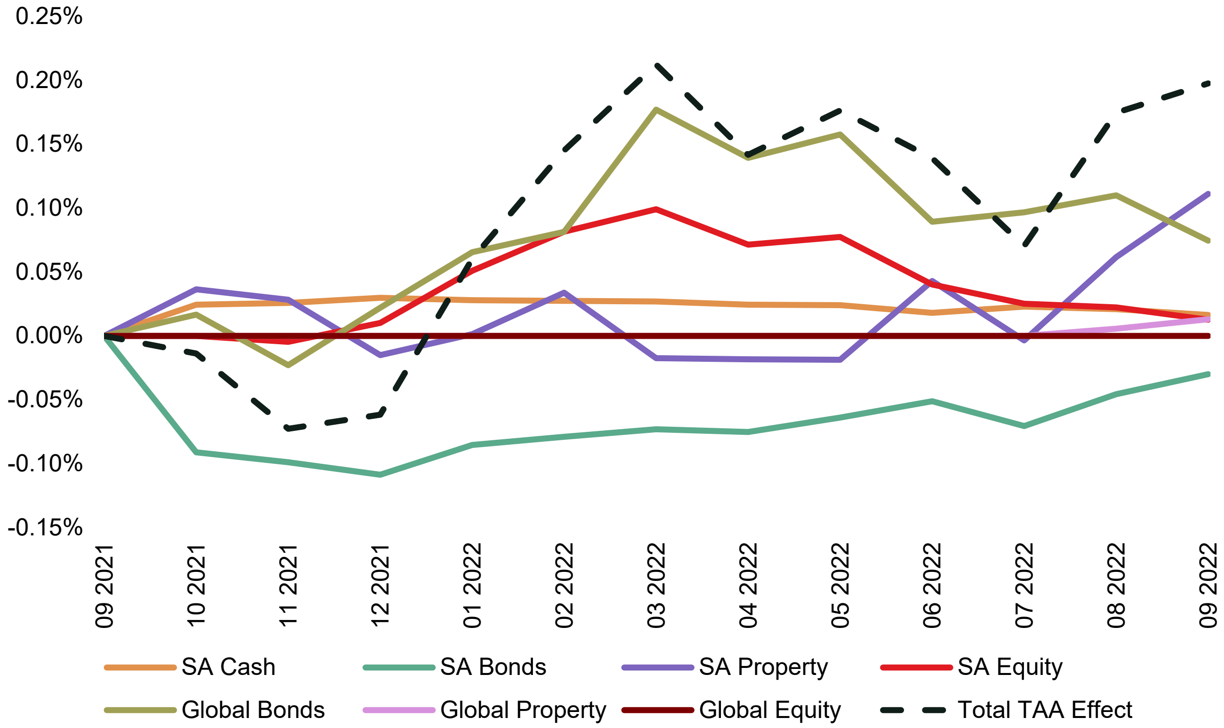


Figure 3.10: Manager selection effects: 12 months to 30 September 2022

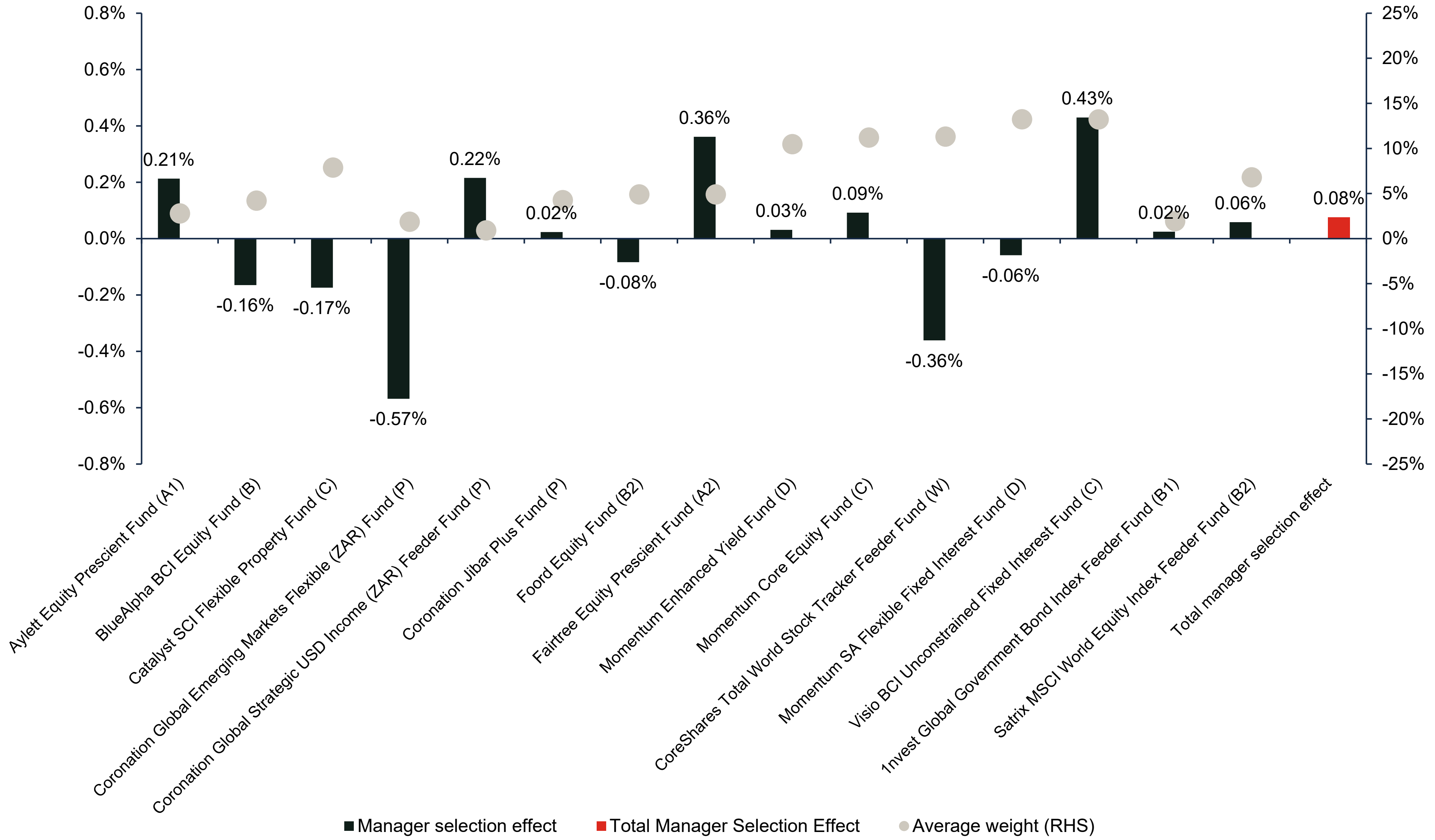
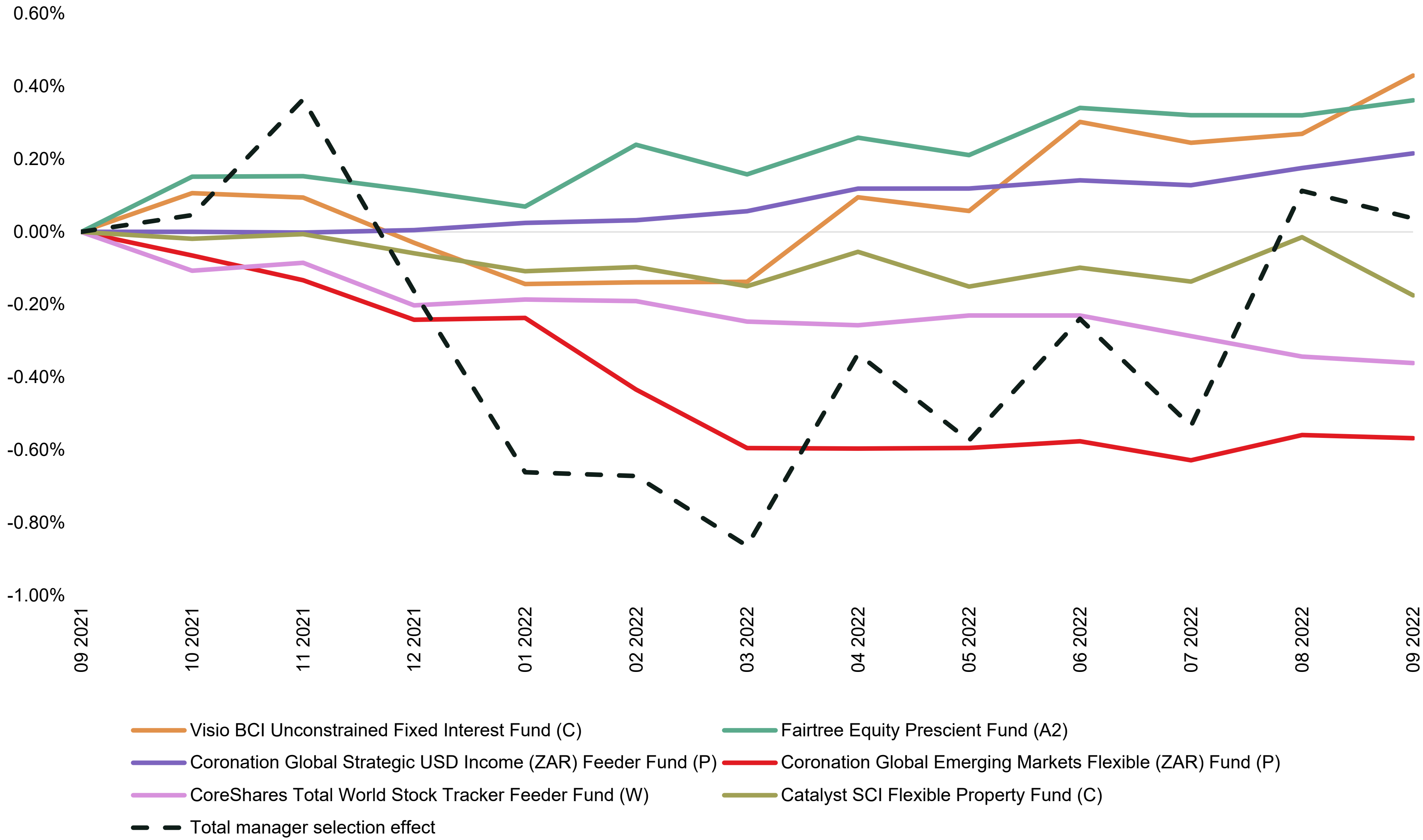


Figure 3.11: Cumulative manager selection effects: 12 months to 30 September 2022



2.4. Equilibrium Moderate Portfolio

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

2.4.1. Returns

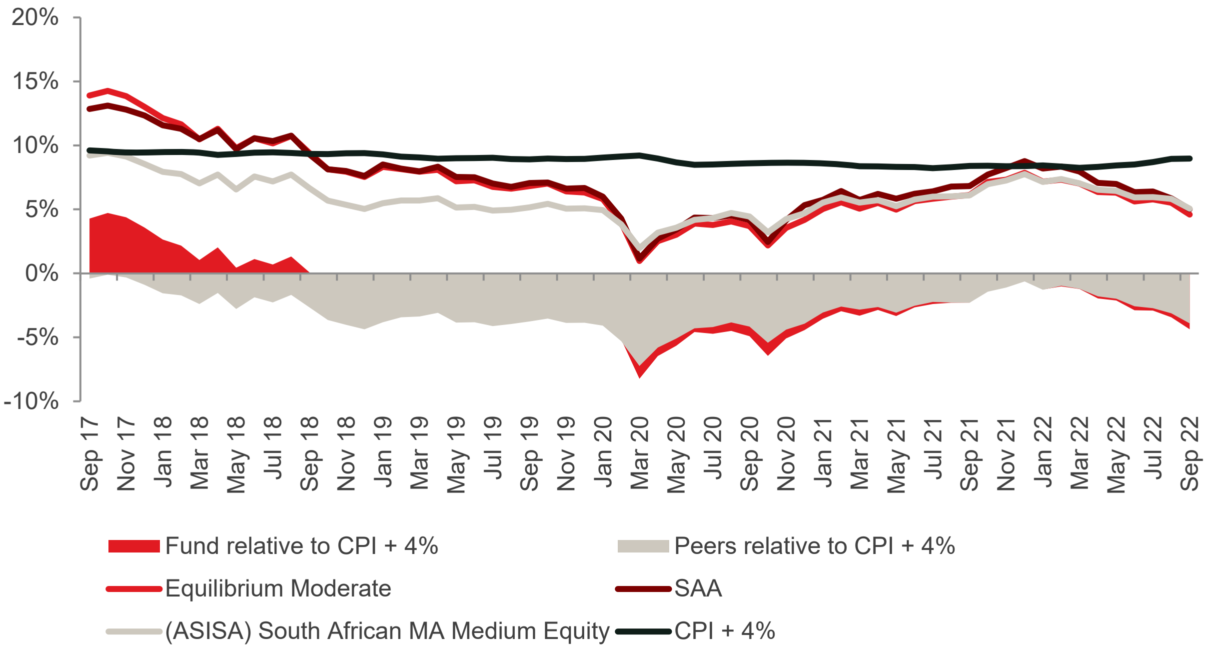
Figure 4.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Moderate	0.1%	-6.1%	-0.8%	5.8%	4.6%	5.5%	5.4%	63
Benchmark: CPI + 4%	3.7%	7.0%	11.6%	9.2%	9.0%	9.1%	8.8%	
SAA	-0.4%	-6.9%	-0.6%	5.9%	5.0%	6.1%	5.9%	
(ASISA) South African MA Medium Equity	*0.3%*	*-4.3%*	*0.9%*	*6.1%*	*5.1%*	*5.4%*	*5.7%*	

**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 underperformed its CPI + 4% benchmark by 4.4% over the 5-year period to 30 September 2022. It also underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.2% over the last 12 months, net of all investment related fees.

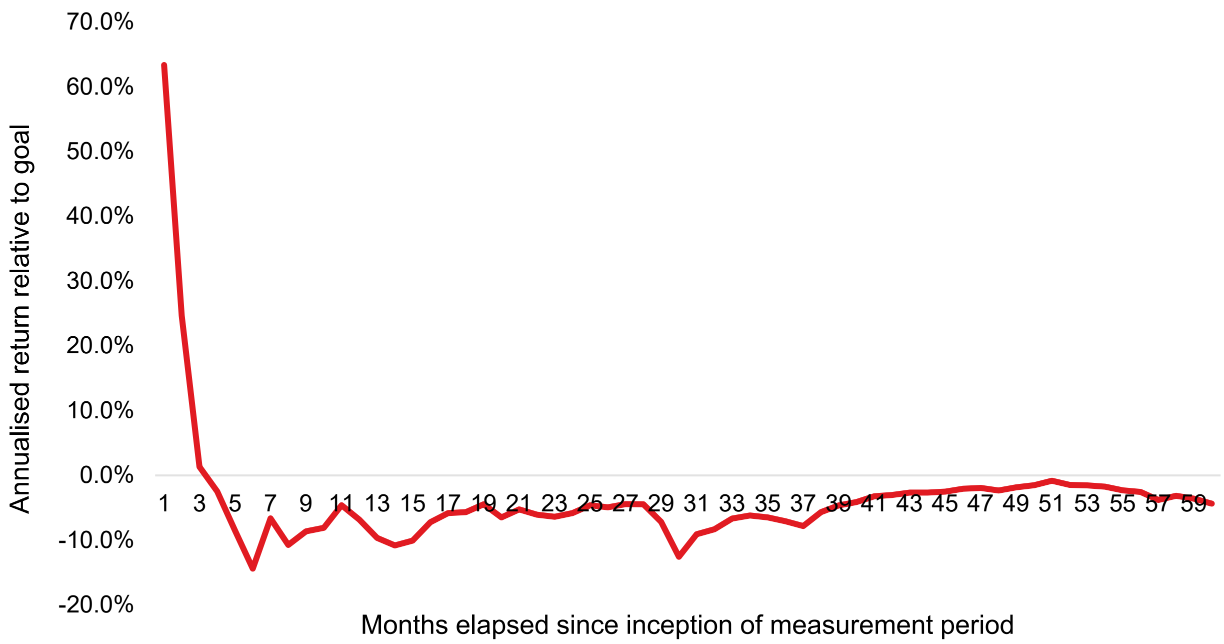
Figure 4.2: Rolling 5-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Moderate	(ASISA) South African MA Medium Equity
Number of observations	61	
Period outperforming	13	0
Realised probability of outperforming	21%	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 21% of the total rolling 5-year periods. This compares favourably with the peer group, which never outperformed over the rolling 5-year periods.

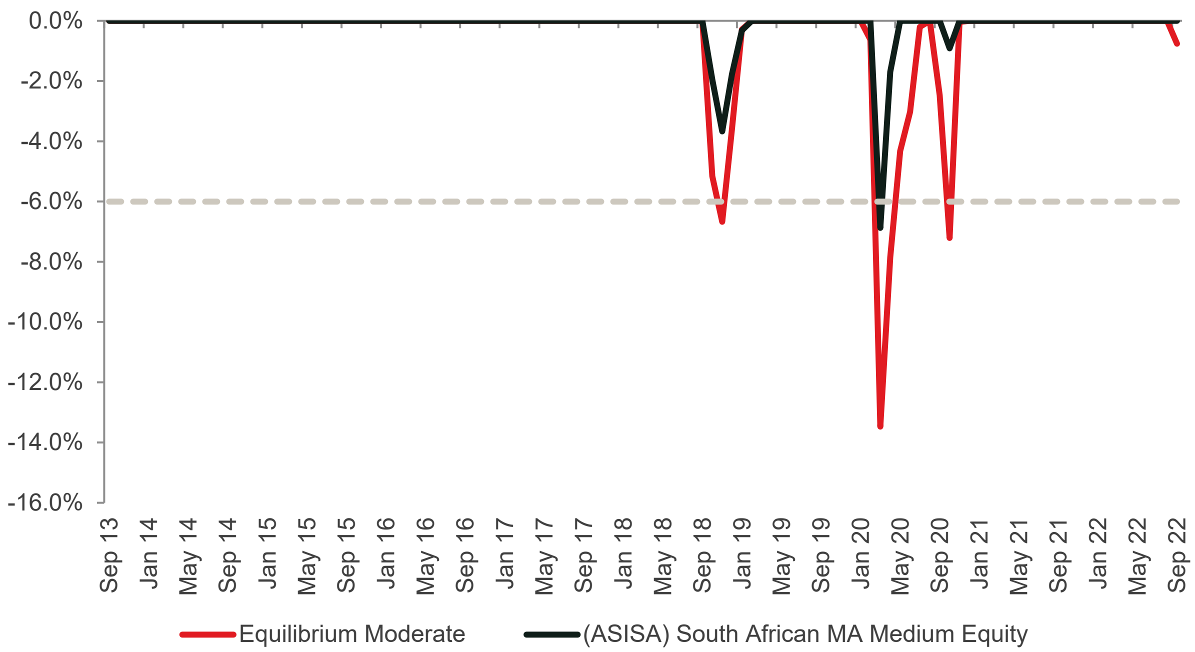
Figure 4.3: Portfolio performance relative to goal*



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

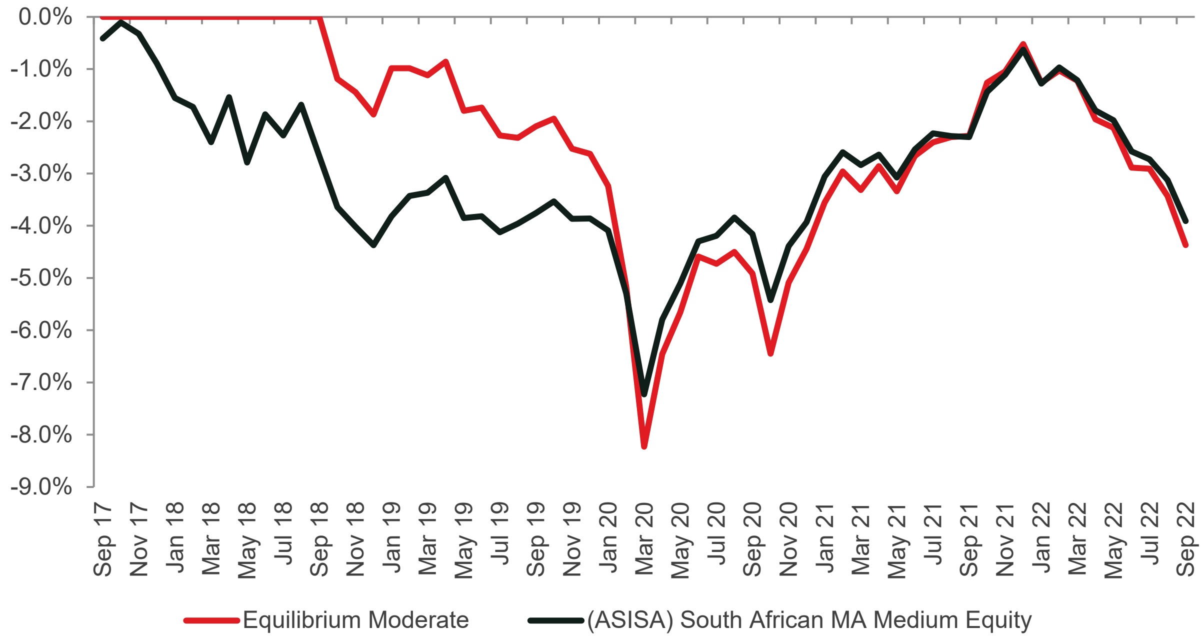
2.4.2. Risk

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



- Even though the portfolio underperformed its benchmark over rolling 5 years, and greater than the peer group, it managed to outperform CPI + 4% more consistently than the peer group. Recently the portfolio was on track to outperform the peer group, however given its more aggressive risk budget, it was more severely impacted by the year-to-date sell off in local and global markets.

2.4.3. Performance attribution

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

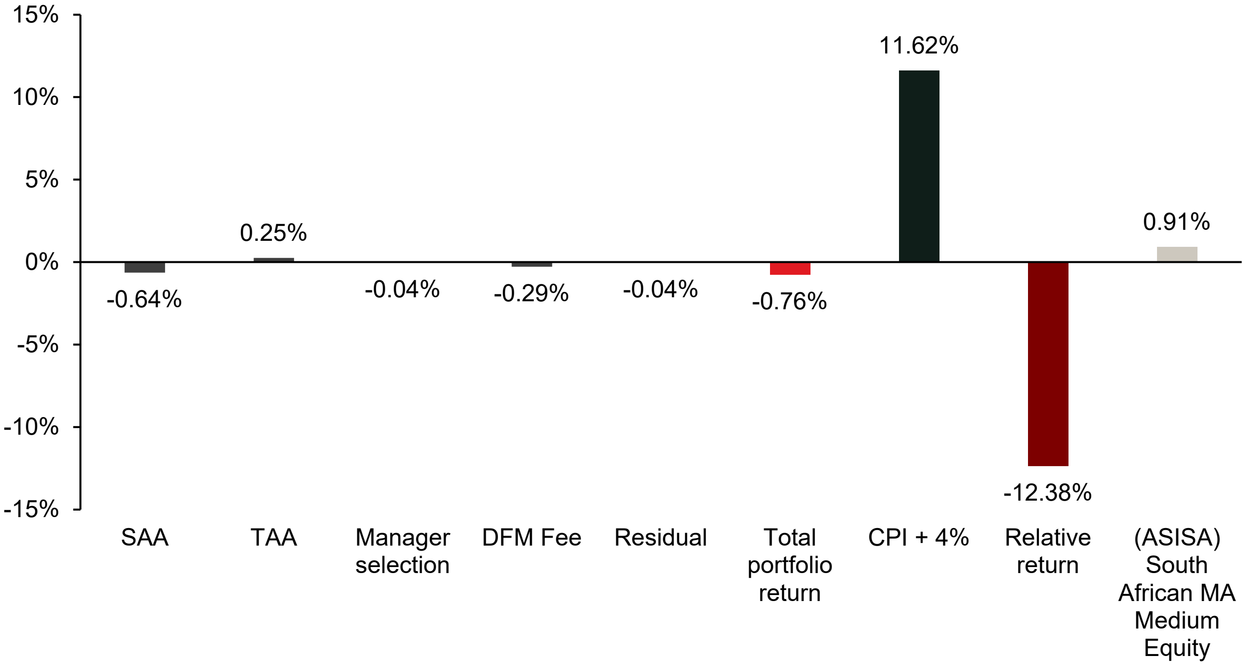


Figure 4.7: Strategic asset allocation effects: 12 months to 30 September 2022

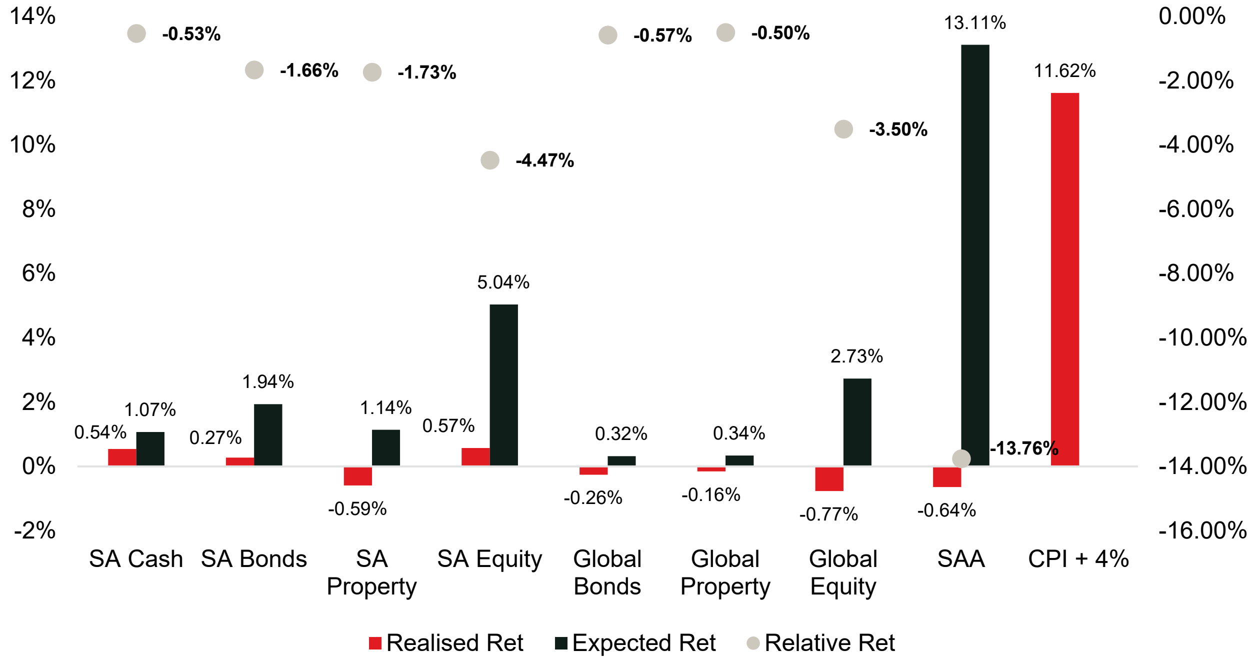


Figure 4.8: Tactical asset allocation effects: 12 months to 30 September 2022

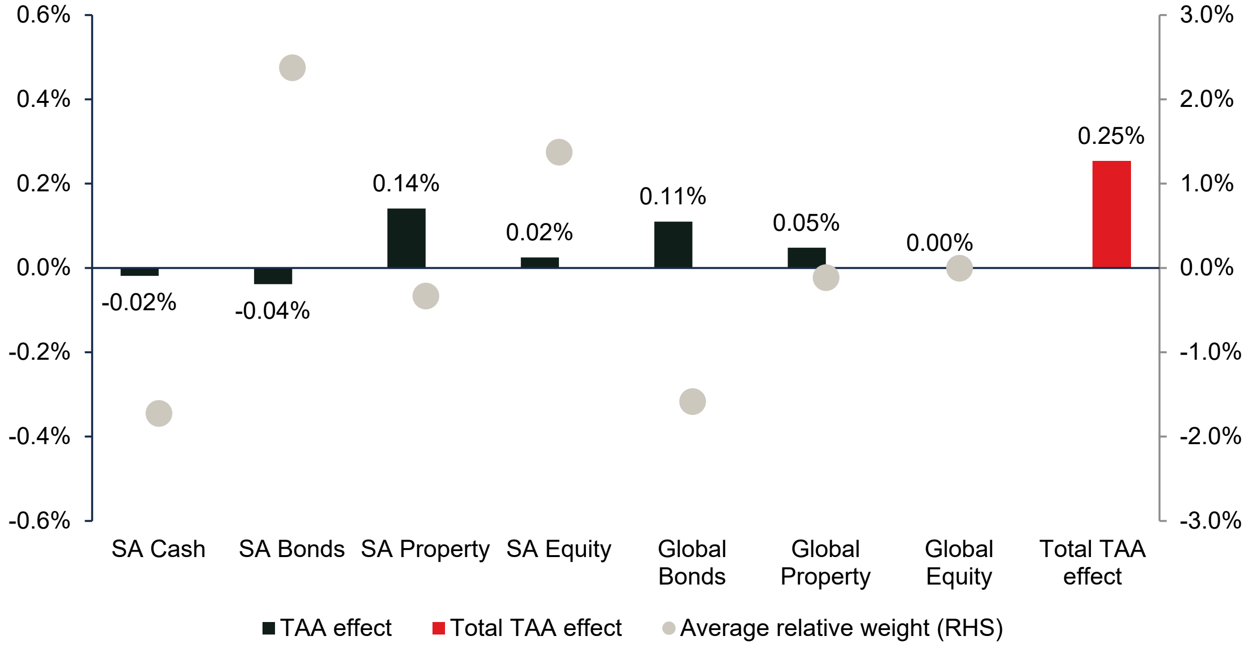


Figure 4.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

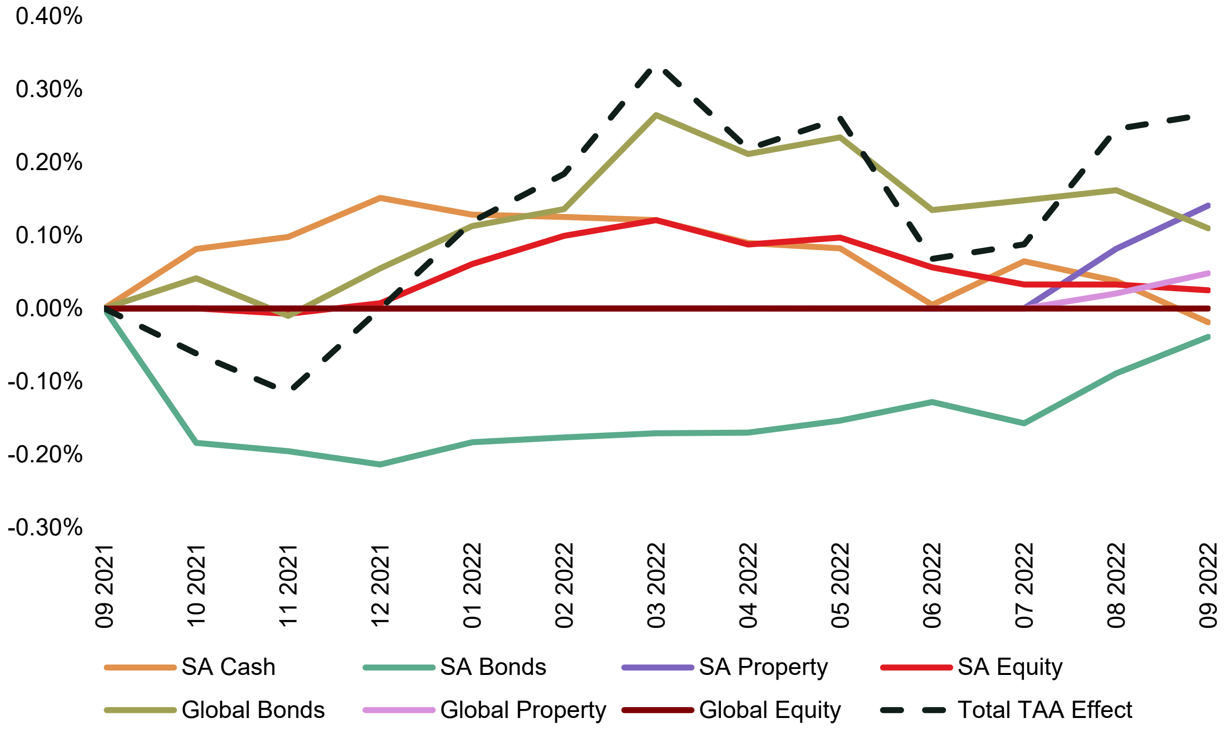


Figure 4.10: Manager selection effects: 12 months to 30 September 2022

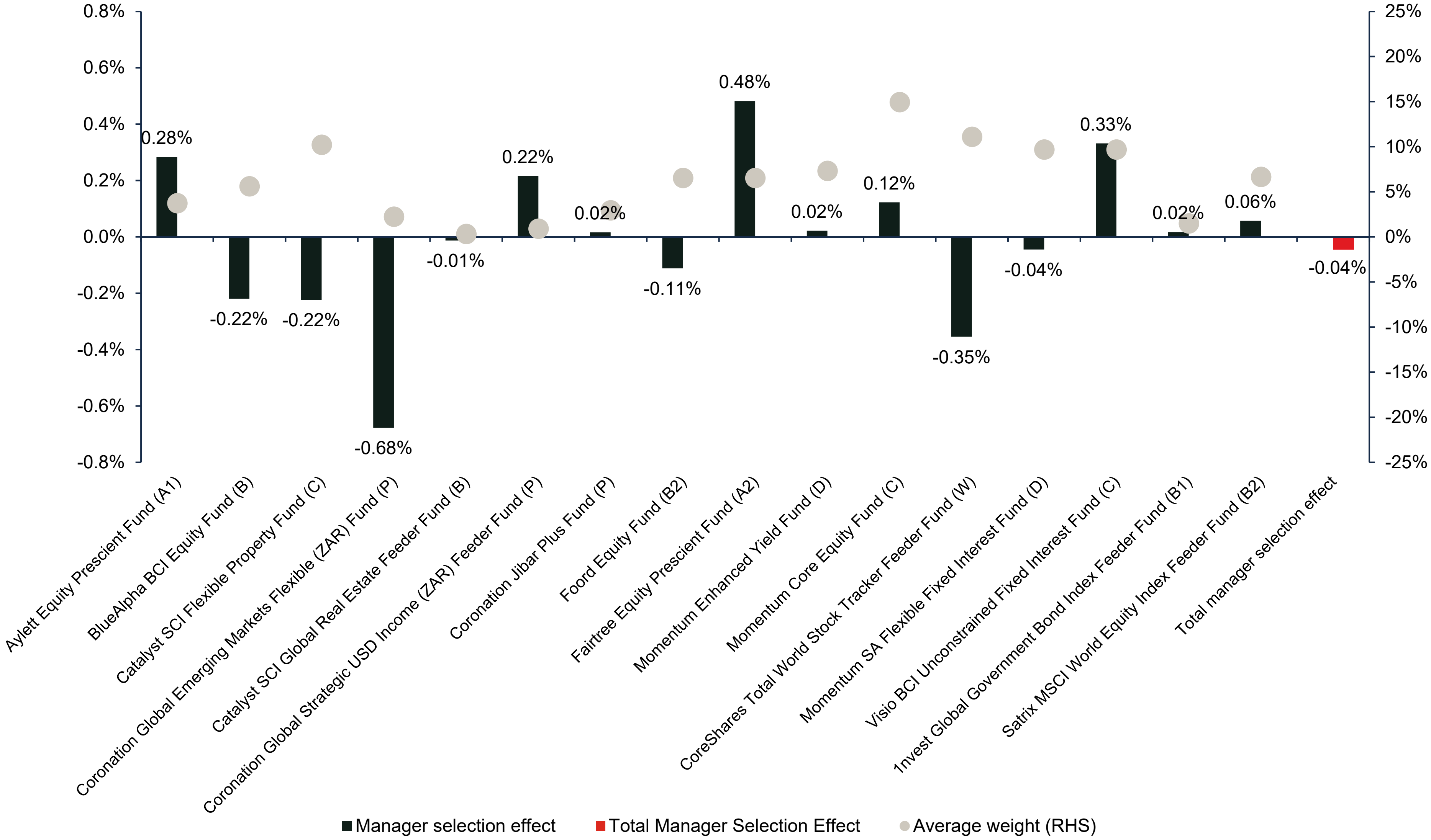
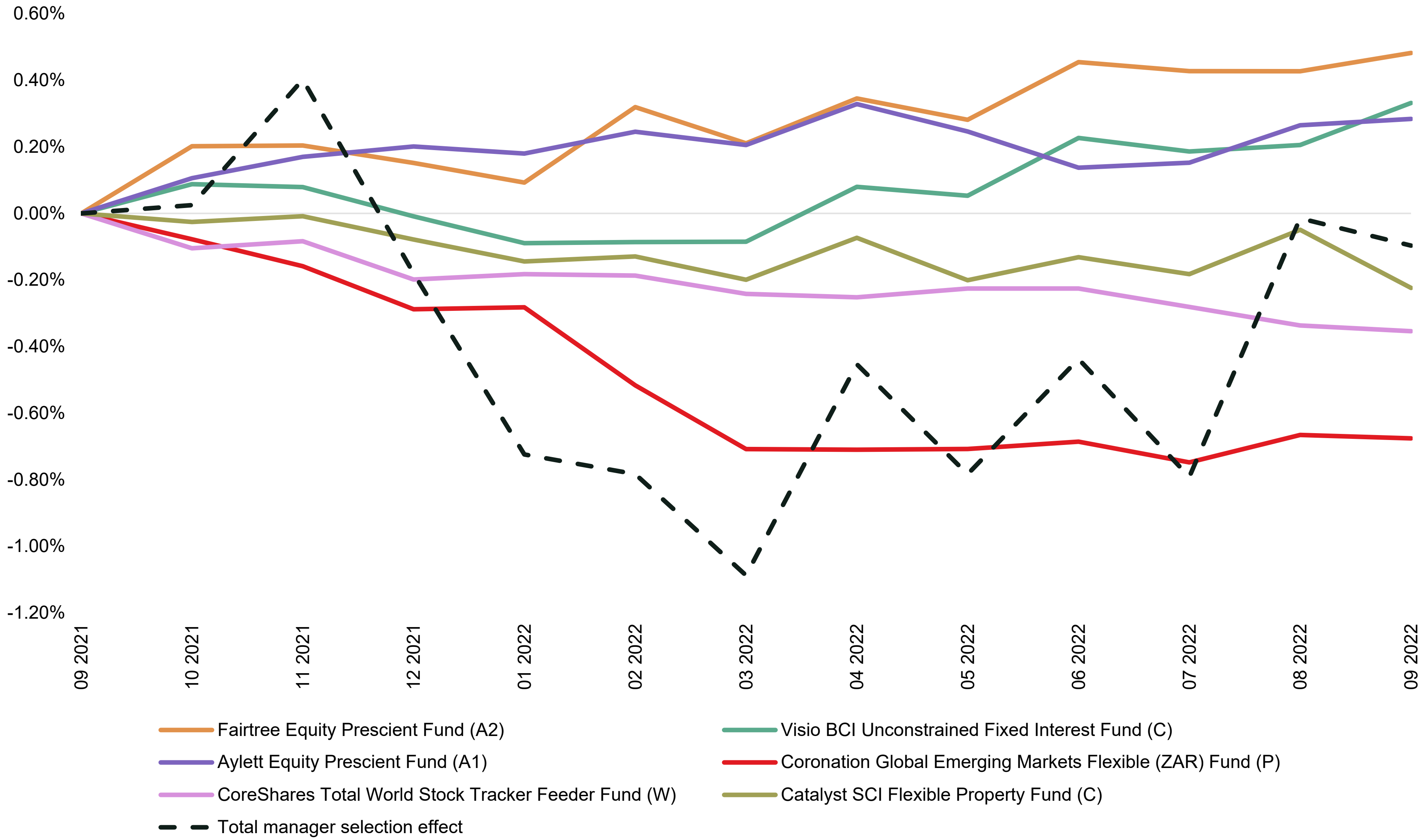


Figure 4.11: Cumulative manager selection effects: 12 months to 30 September 2022



2.5. Equilibrium Balanced Portfolio

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

2.5.1. Returns

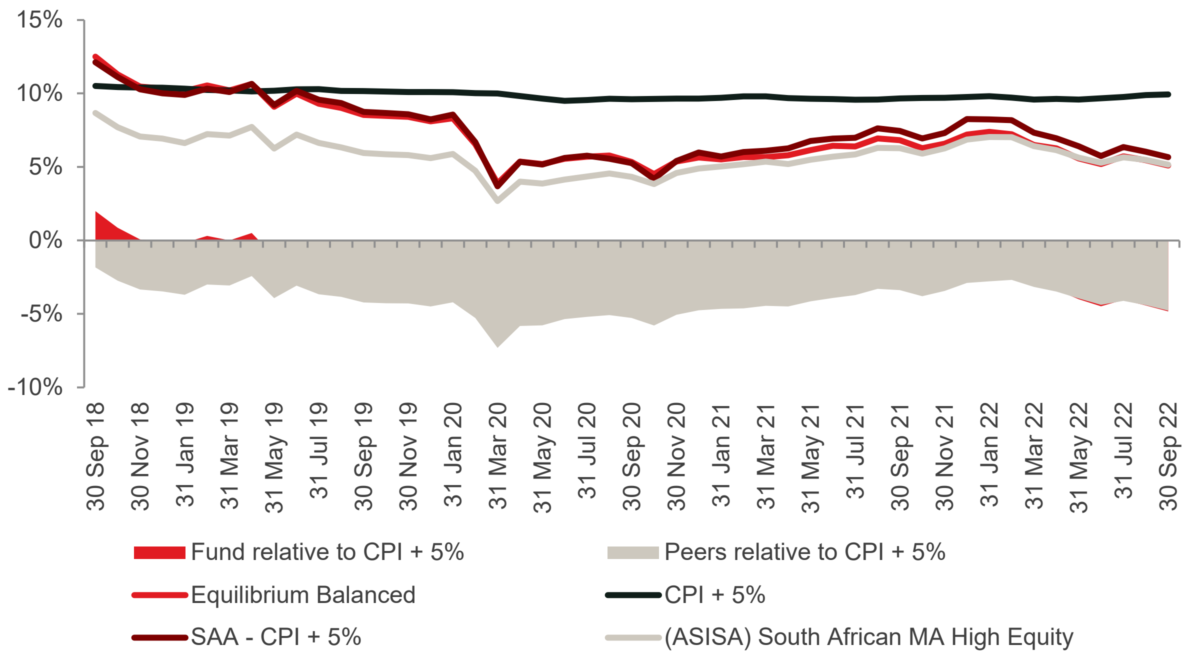
Figure 5.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Balanced	**-0.1%**	**-6.9%**	**-1.2%**	**10.6%**	**5.4%**	**5.1%**	**5.6%**	**63**
Benchmark: CPI + 5%	3.9%	7.5%	12.6%	11.3%	10.0%	9.9%	9.8%	
SAA	-0.6%	-7.7%	-1.0%	11.6%	5.5%	5.7%	6.1%	
(ASISA) South African MA High Equity	*-0.1%*	*-5.8%*	*0.2%*	*9.1%*	*5.4%*	*5.2%*	*5.7%*	

**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 underperformed its CPI + 5% benchmark by 4.8% over the 6-year period to 30 September 2022. It marginally underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.2% over the last 12 months, net of all investment related fees.

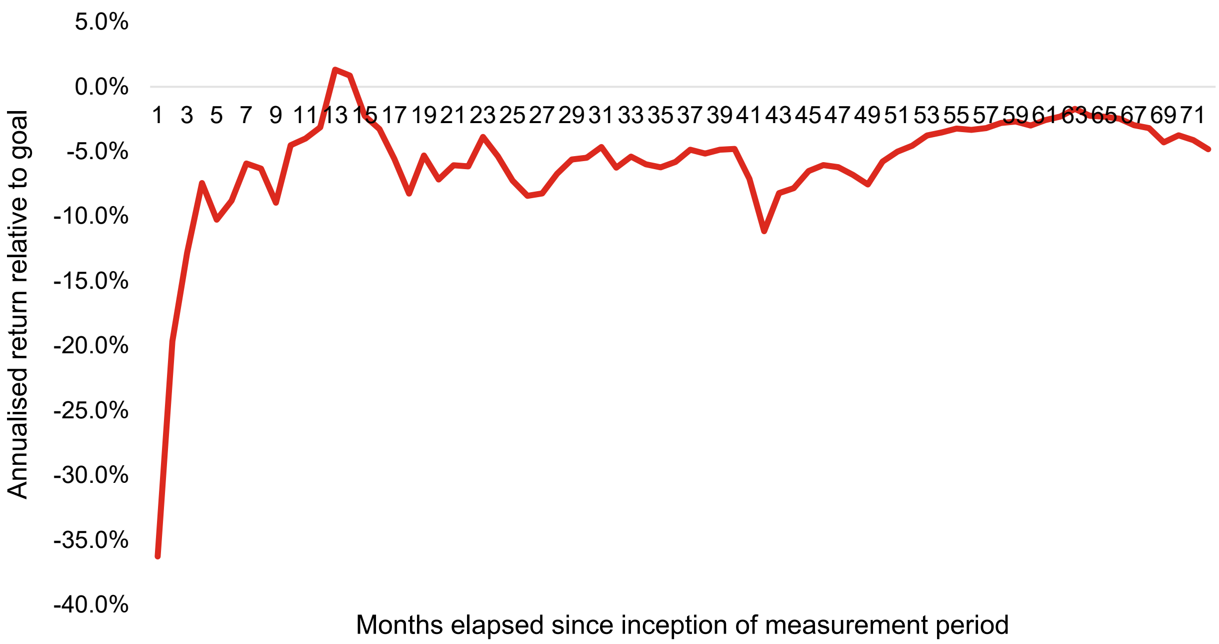
Figure 5.2: Rolling 6-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Balanced	(ASISA) South African MA High Equity
Number of observations	49	
Period outperforming	6	0
Realised probability of outperforming	**12%**	0%
Max outperformance p.a.	**2.0%**	-1.8%
Max underperformance p.a.	**-6.1%**	-7.3%

- Over the last 10 years, the portfolio outperformed its benchmark on 12% of the total rolling 6-year periods. This compares favourably with the peer group, which never outperformed over the rolling 6-year periods.

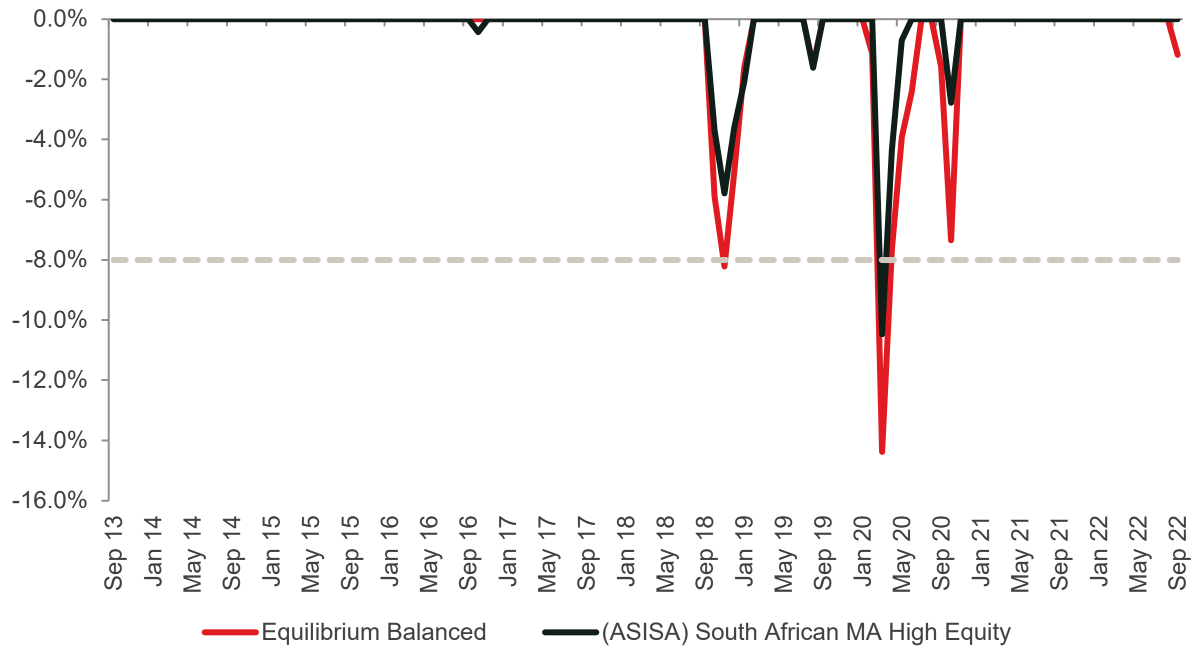
Figure 5.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 September 2022 the portfolio's annualised returns relative to its goal were mainly below its target due to weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, barring the market events since the beginning of the year.

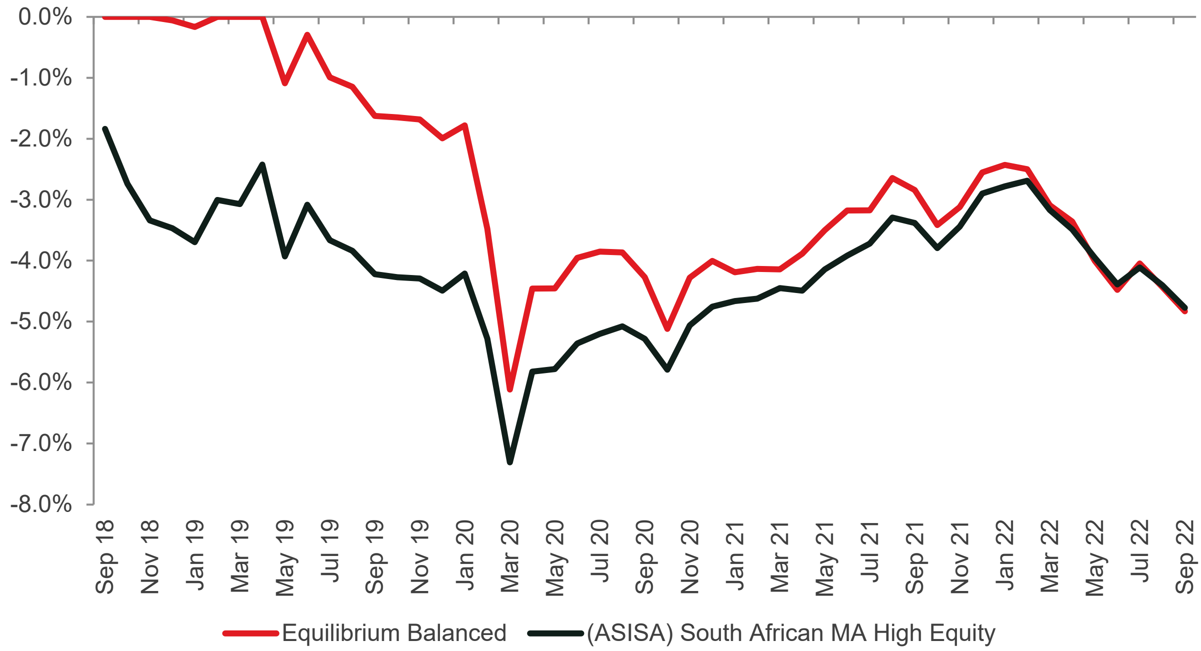
2.5.2. Risk

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



- Even though the portfolio underperformed its benchmark over rolling 6 years, it was to a lesser extent than the peer group until recently when the underperformance relative to the peer group was marginal. 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 September 2022

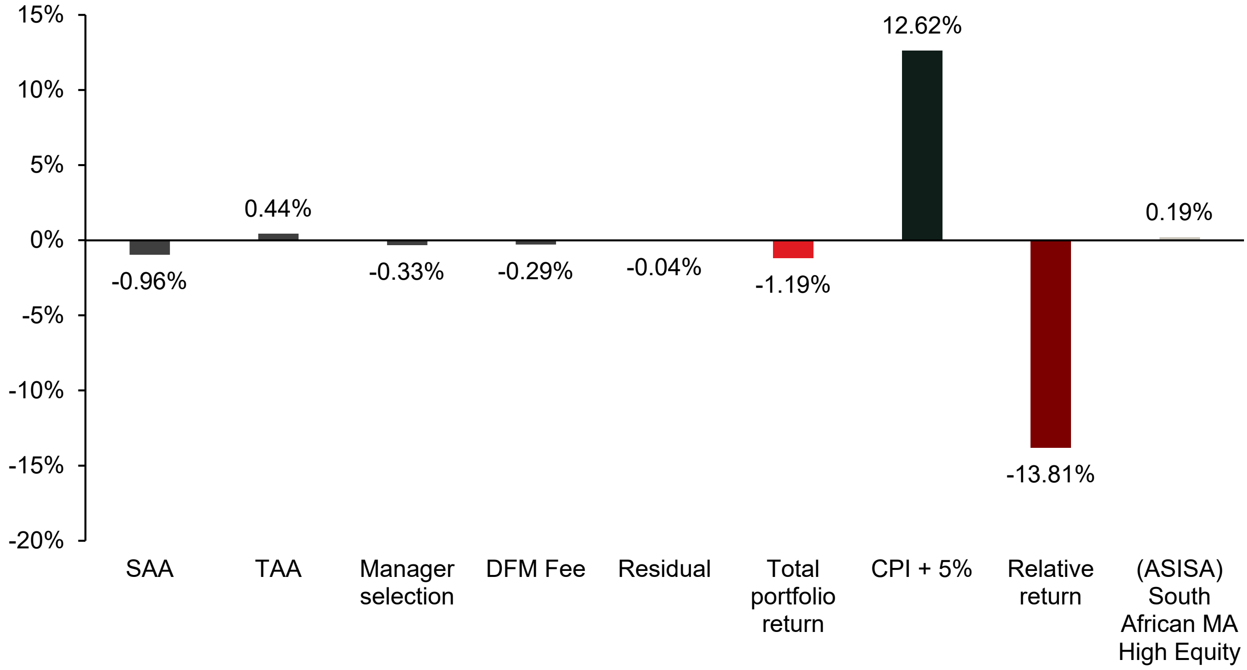


Figure 5.7: Strategic asset allocation effects: 12 months to 30 September 2022

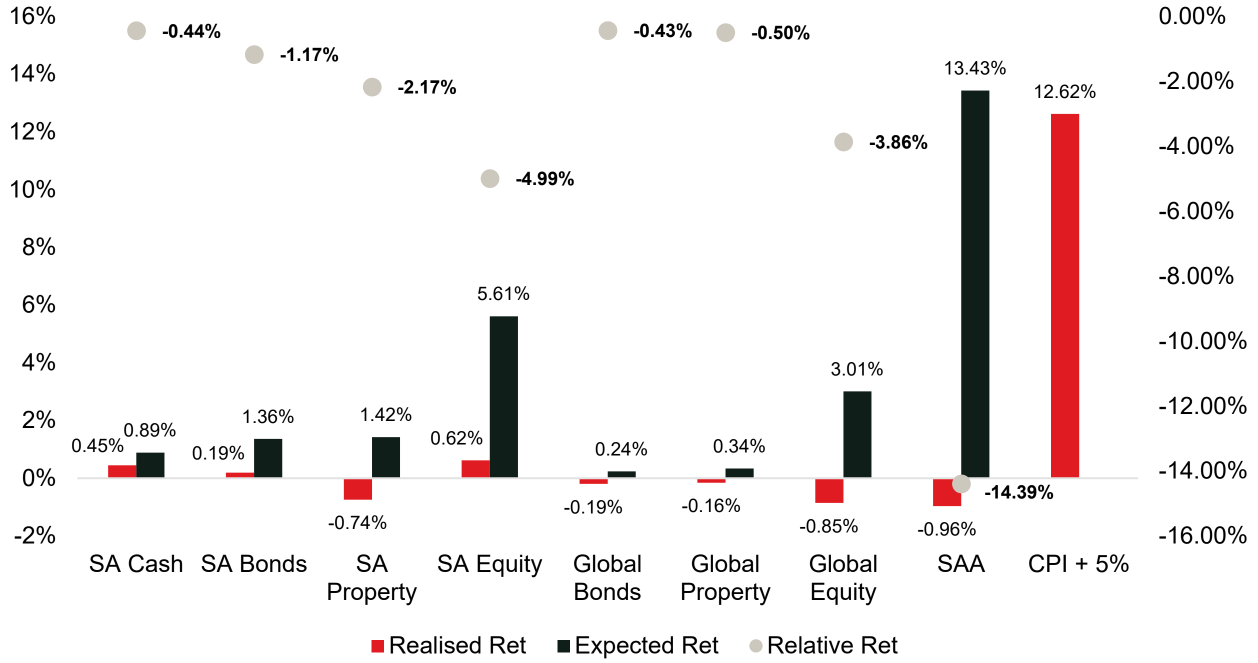


Figure 5.8: Tactical asset allocation effects: 12 months to 30 September 2022

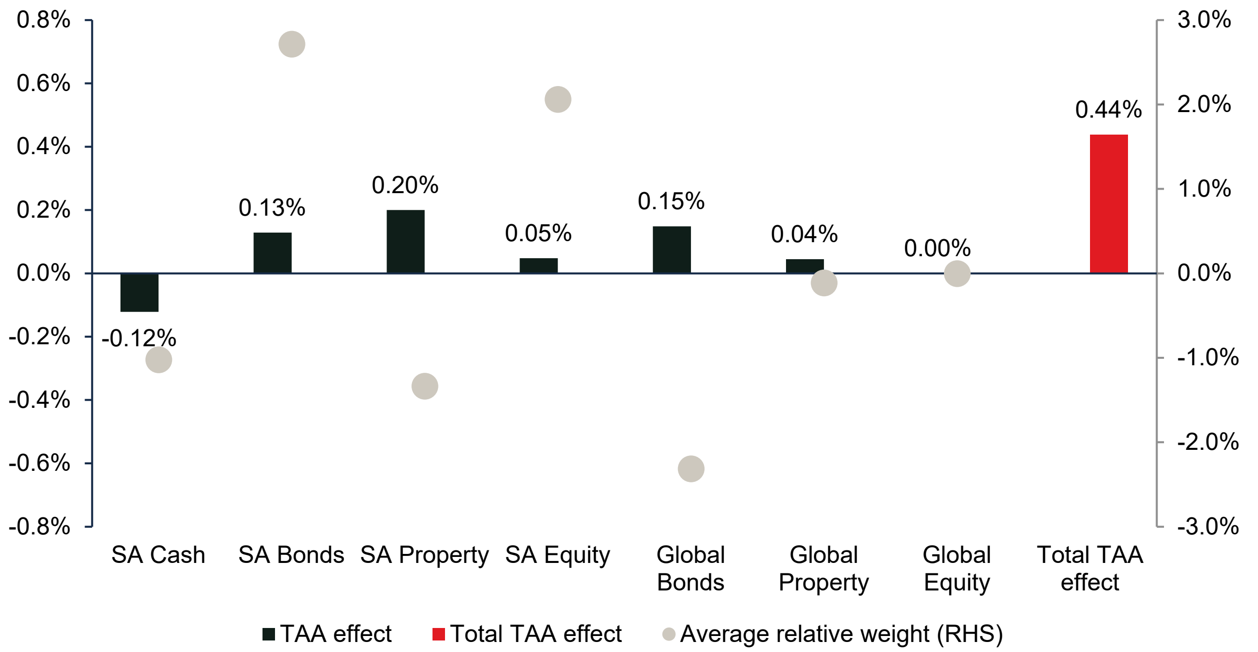


Figure 5.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

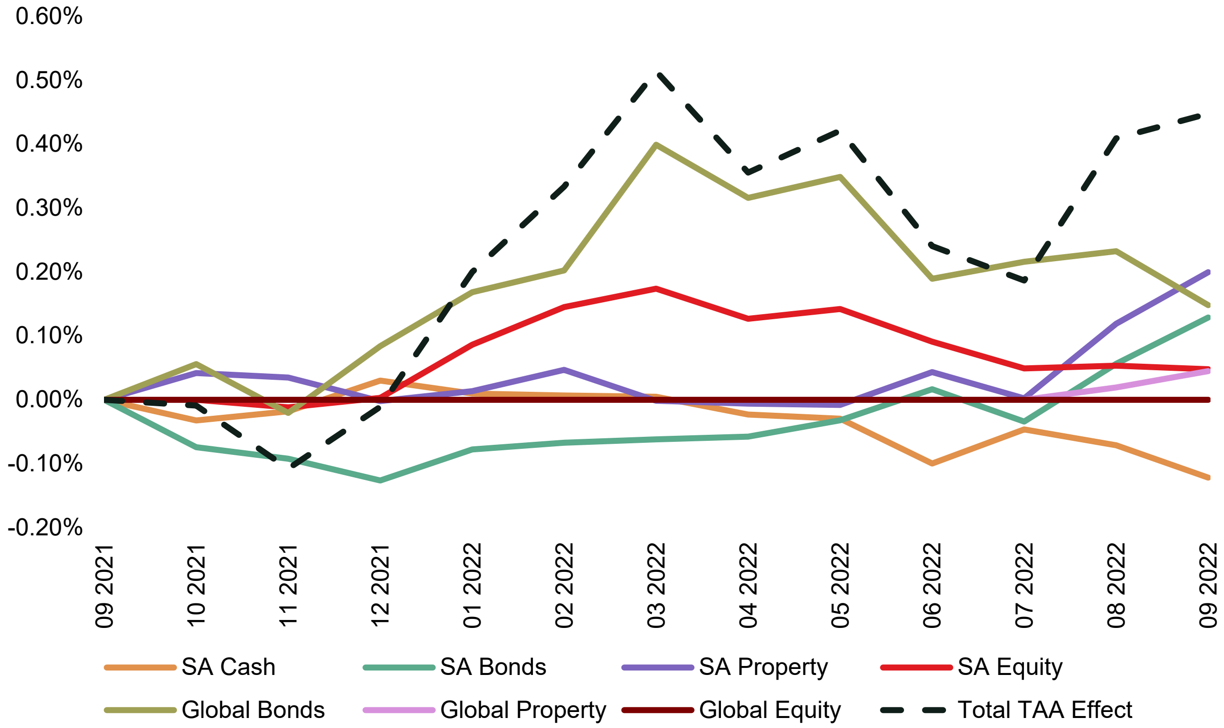


Figure 5.10: Manager selection effects: 12 months to 30 September 2022

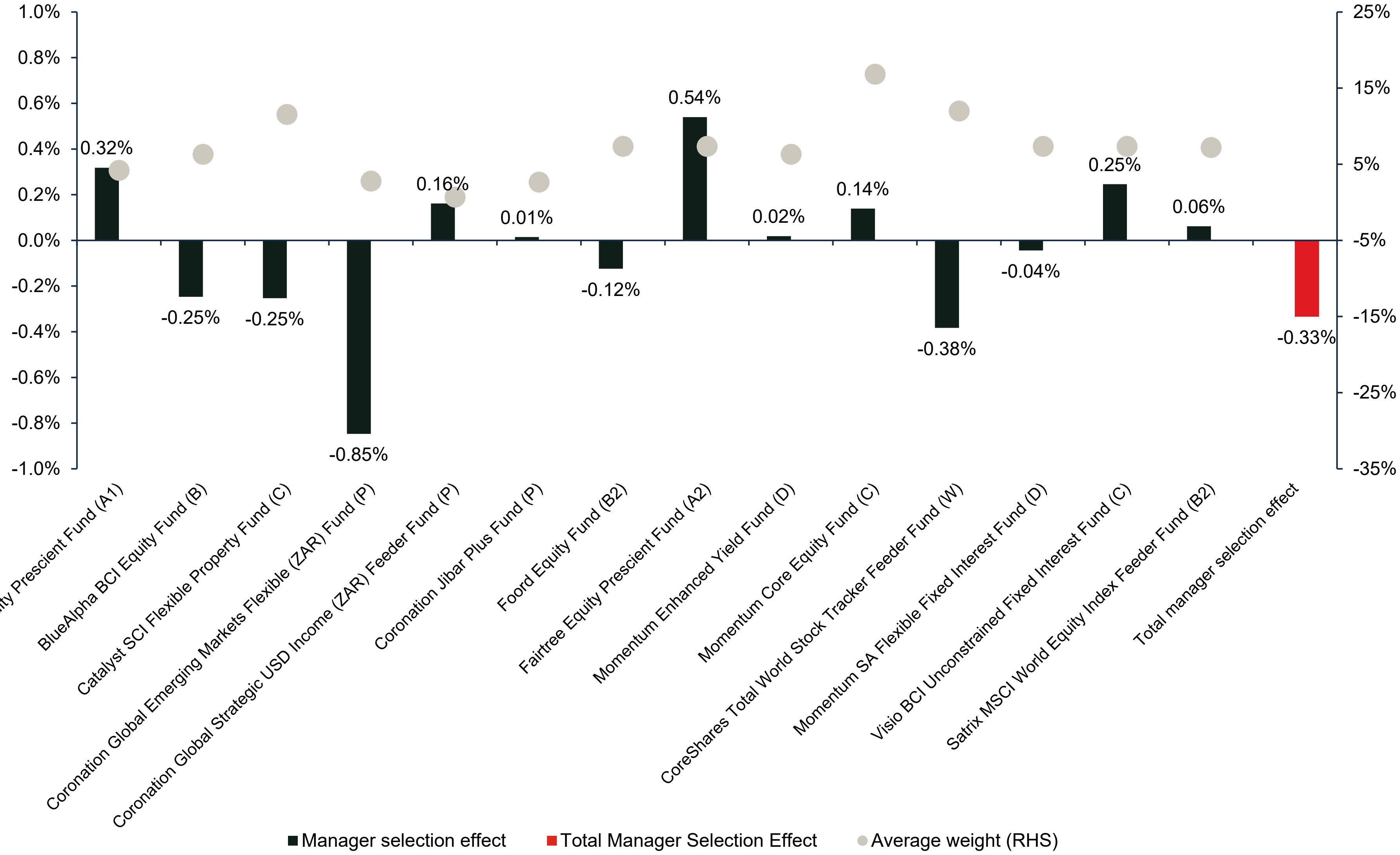
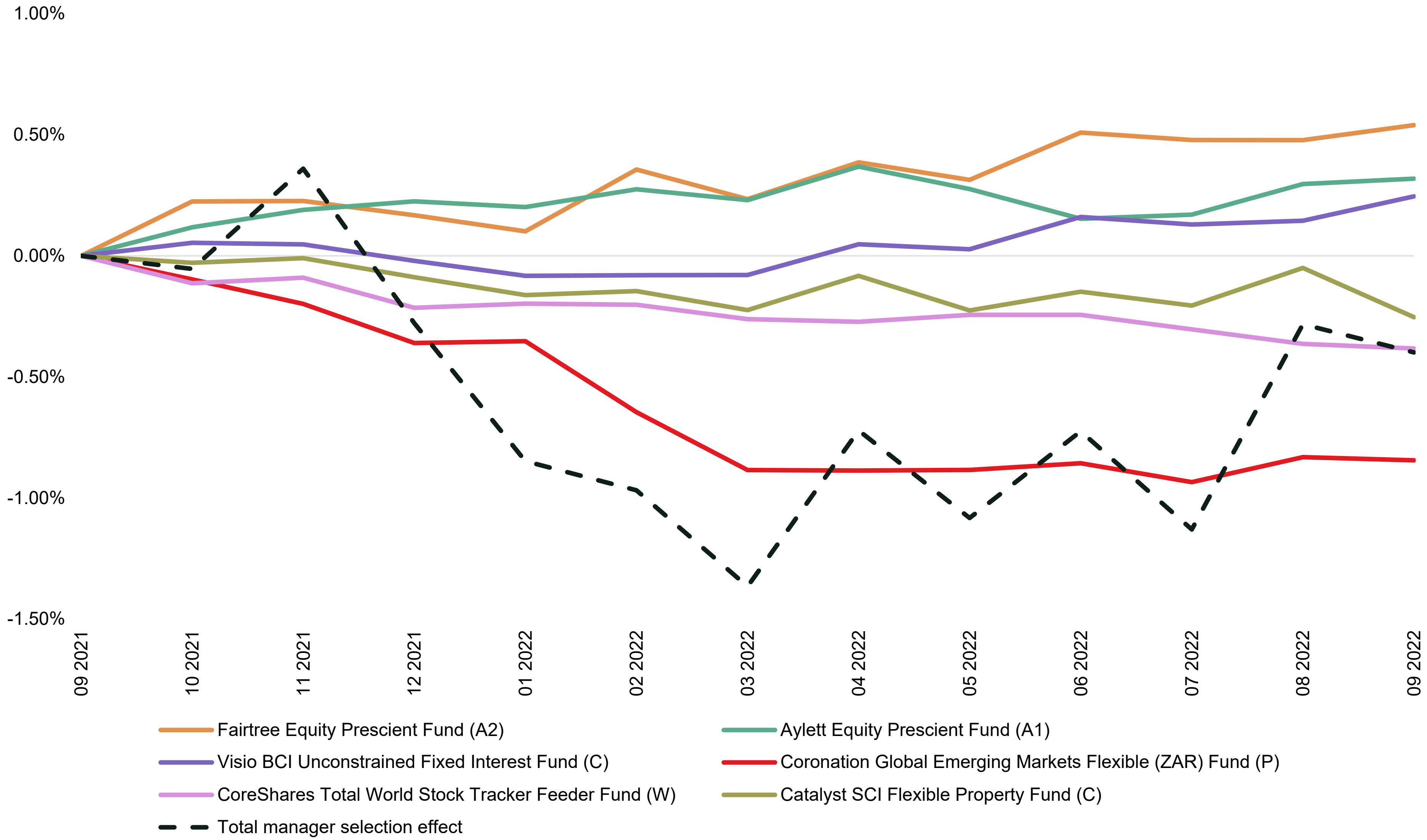


Figure 5.11: Cumulative manager selection effects: 12 months to 30 September 2022



2.6. Equilibrium Growth Portfolio

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

2.6.1. Returns

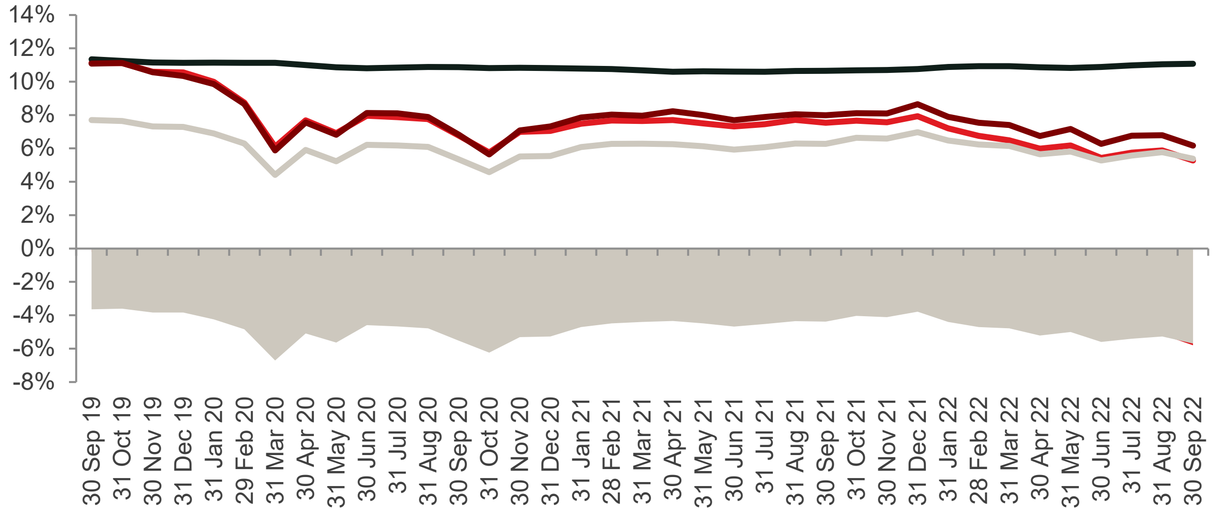
Figure 6.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Growth	-0.4%	-8.1%	-2.0%	5.8%	4.4%	5.3%	5.2%	63
Benchmark: CPI + 6%	4.2%	8.0%	13.6%	11.2%	11.0%	11.1%	10.8%	
SAA	-0.8%	-8.8%	-1.3%	6.1%	5.0%	6.2%	6.1%	
(ASISA) South African MA High Equity	*-0.1%*	*-5.8%*	*0.2%*	*6.6%*	*5.0%*	*5.4%*	*5.7%*	

**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 underperformed its CPI + 6% benchmark by 5.8% p.a. over the 7-year period to 30 September 2022. It marginally underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.7% over the last 12 months, net of all investment related fees.

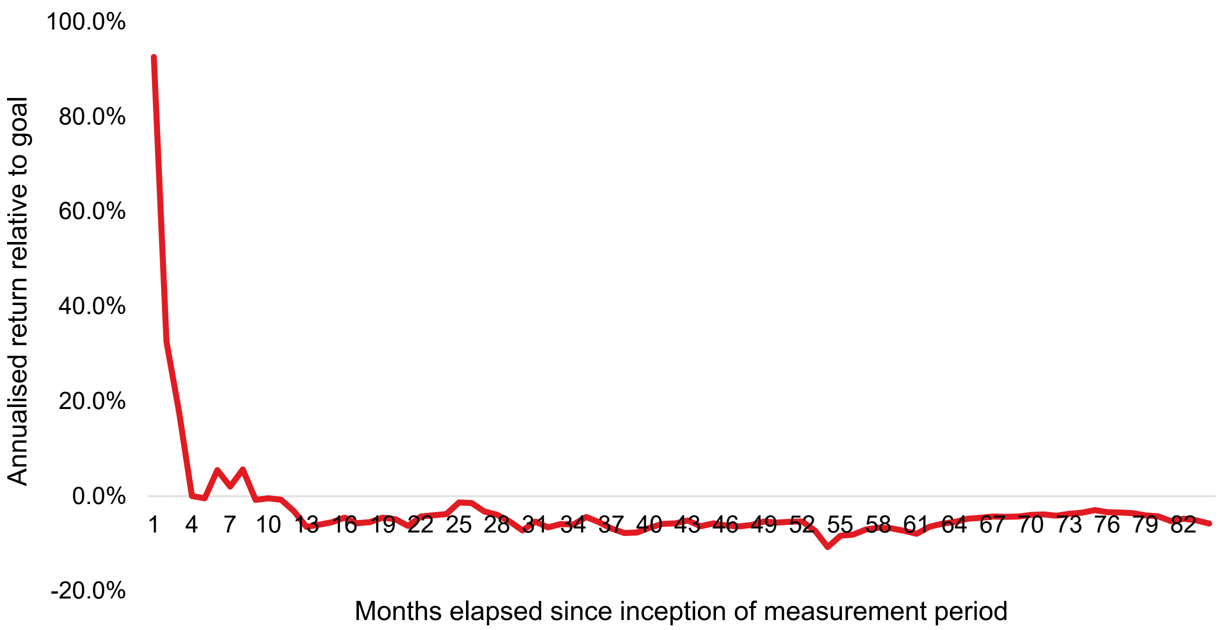
Figure 6.2: Rolling 7-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Growth	(ASISA) South African MA High Equity
Number of observations	37	
Period outperforming	0	0
Realised probability of outperforming	0%	0%
Max outperformance p.a.	-0.1%	-3.6%
Max underperformance p.a.	-5.8%	-6.7%

- Over the last 10 years, neither the portfolio nor the peer group never outperformed the benchmark over the rolling 7-year periods.

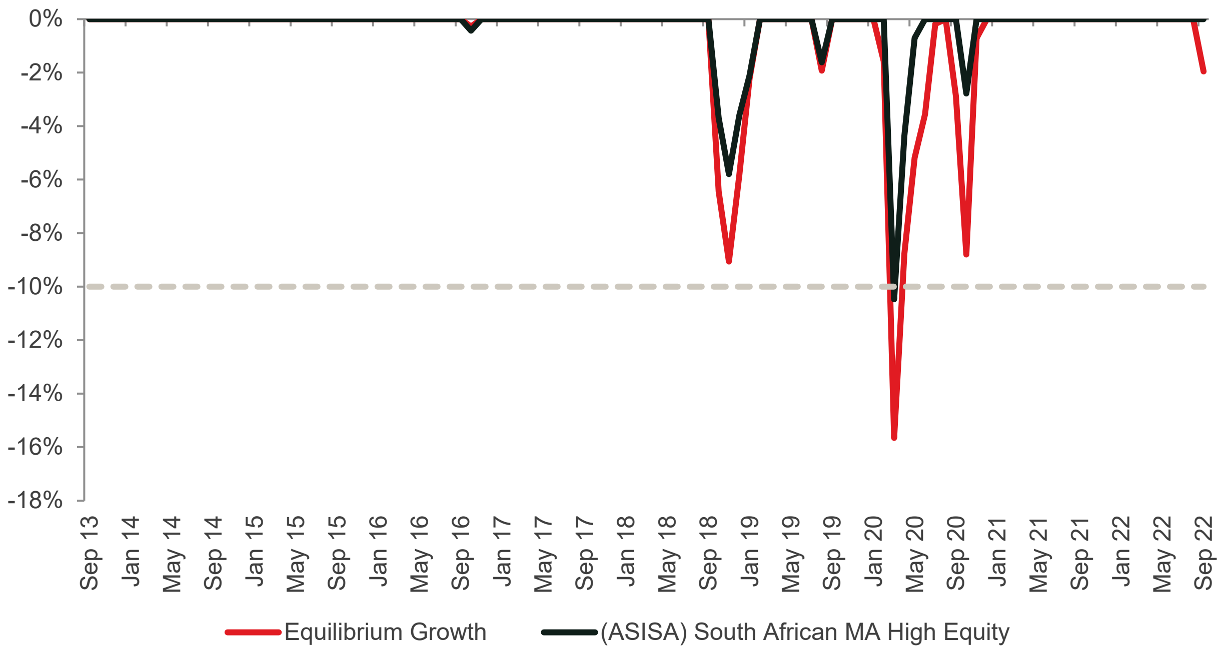
Figure 6.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 September 2022 the portfolio's annualised returns relative to its goal were mainly below its target due to weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, barring the market events since the beginning of the year.

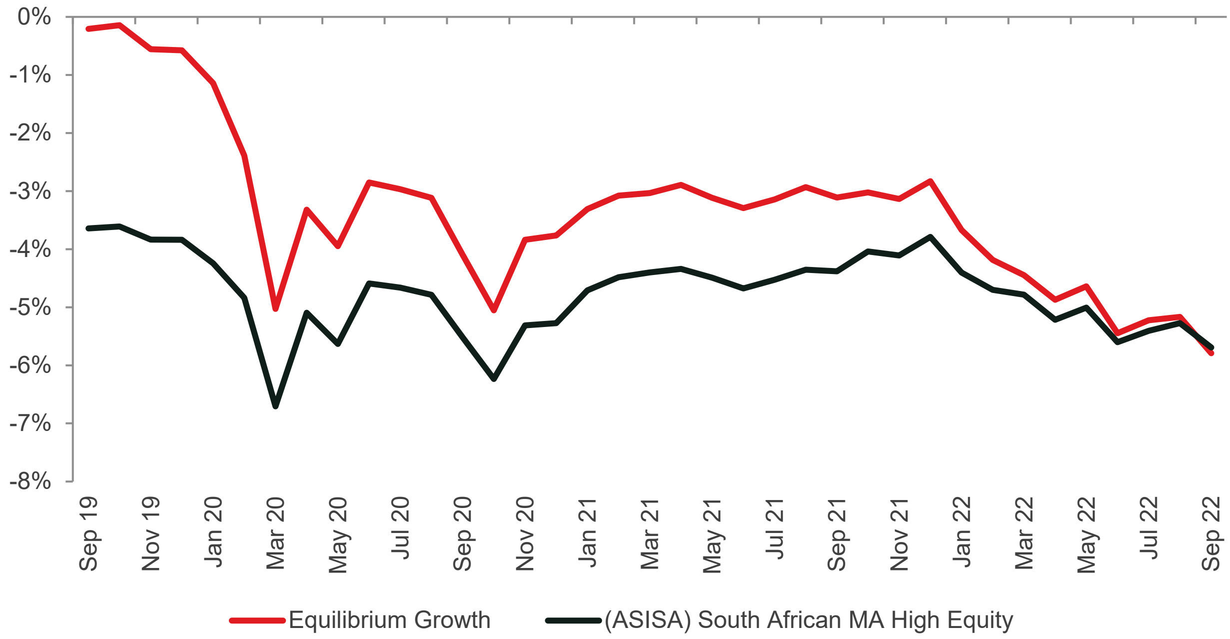
2.6.2. Risk

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



- Even though the portfolio underperformed its benchmark over rolling 7 years, it was to a lesser extent than the peer group until September 2022 when the underperformance relative to the peer group was marginal. 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 September 2022

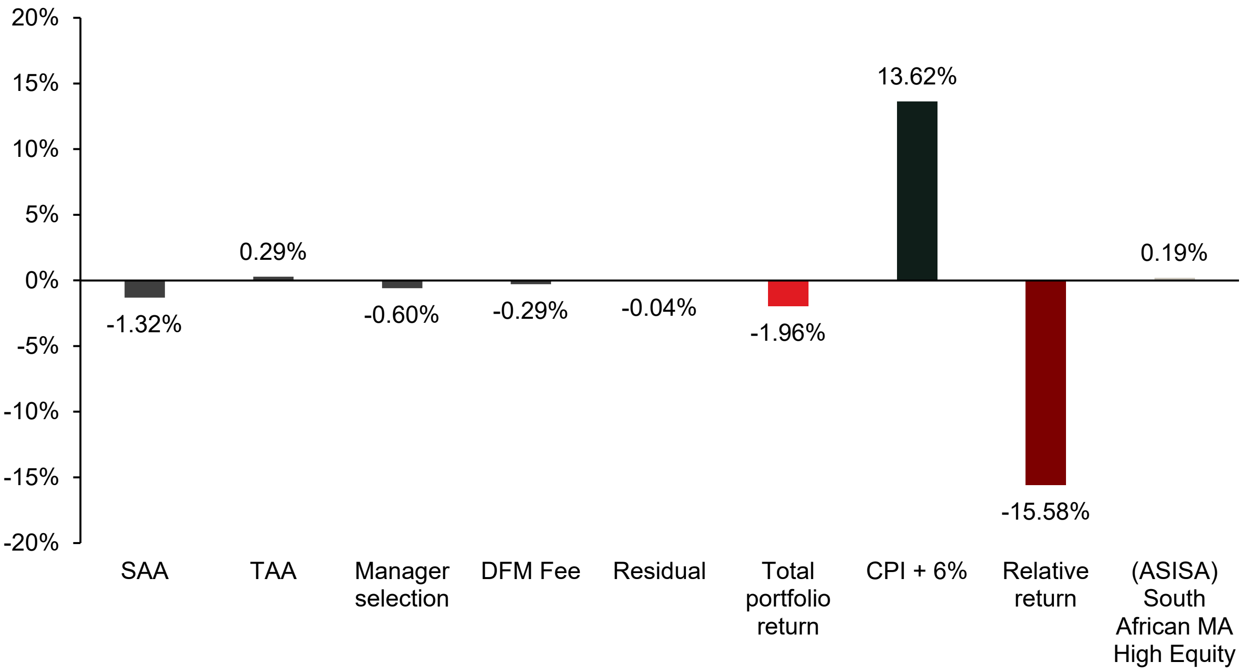


Figure 6.7: Strategic asset allocation effects: 12 months to 30 September 2022

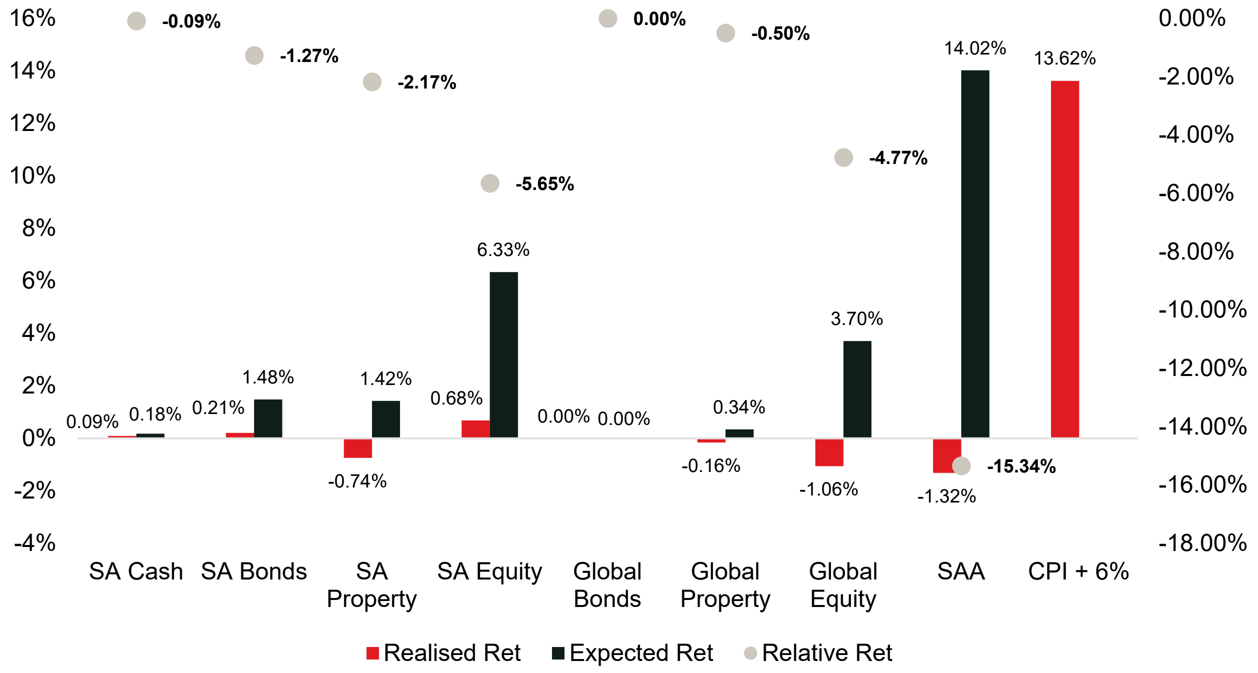


Figure 6.8: Tactical asset allocation effects: 12 months to 30 September 2022

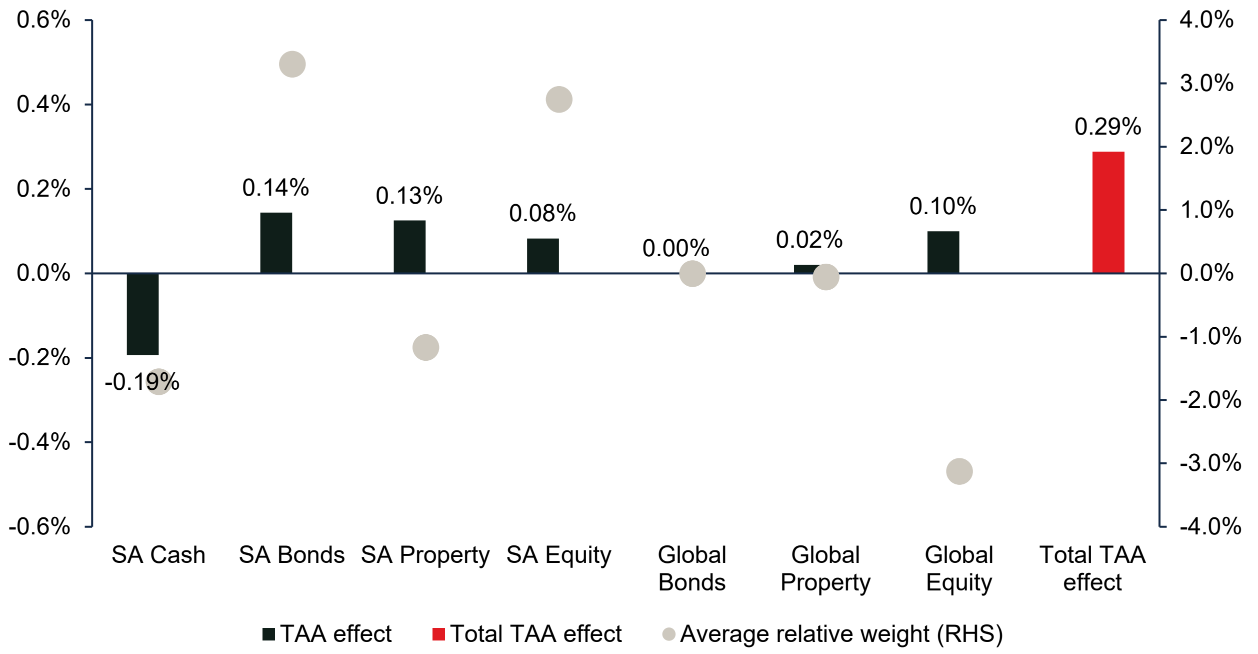


Figure 6.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

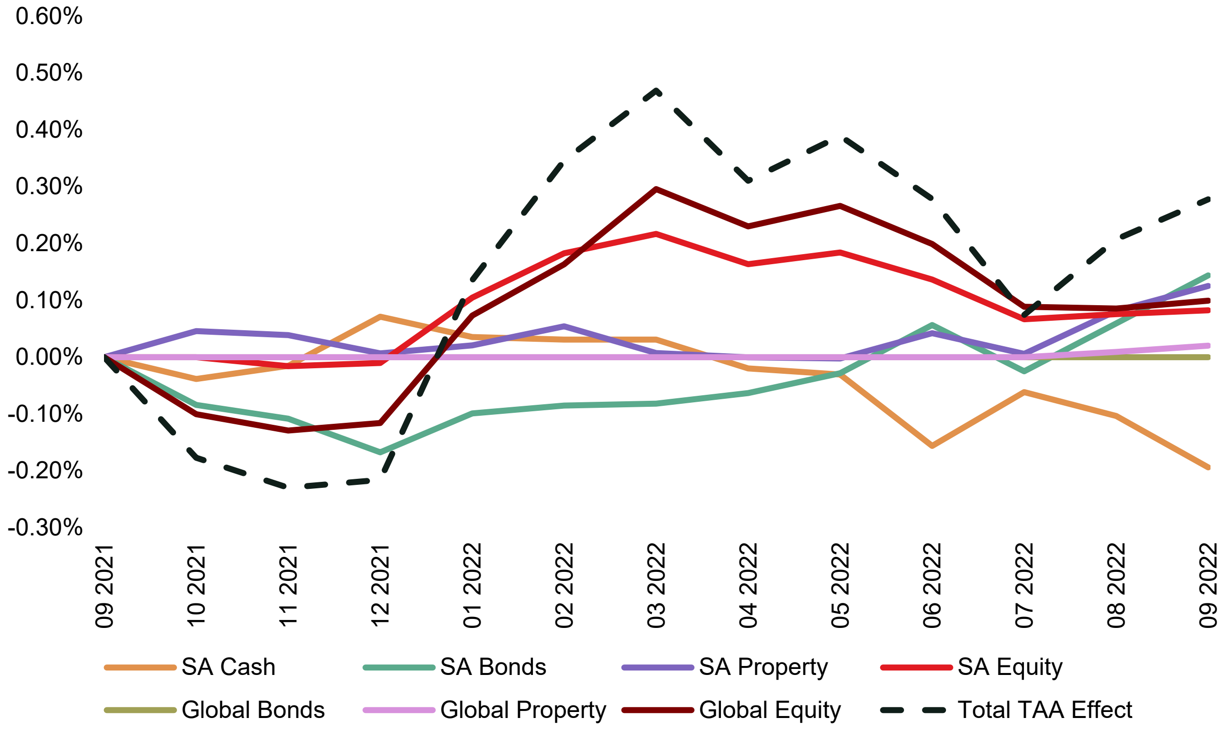


Figure 6.10: Manager selection effects: 12 months to 30 September 2022

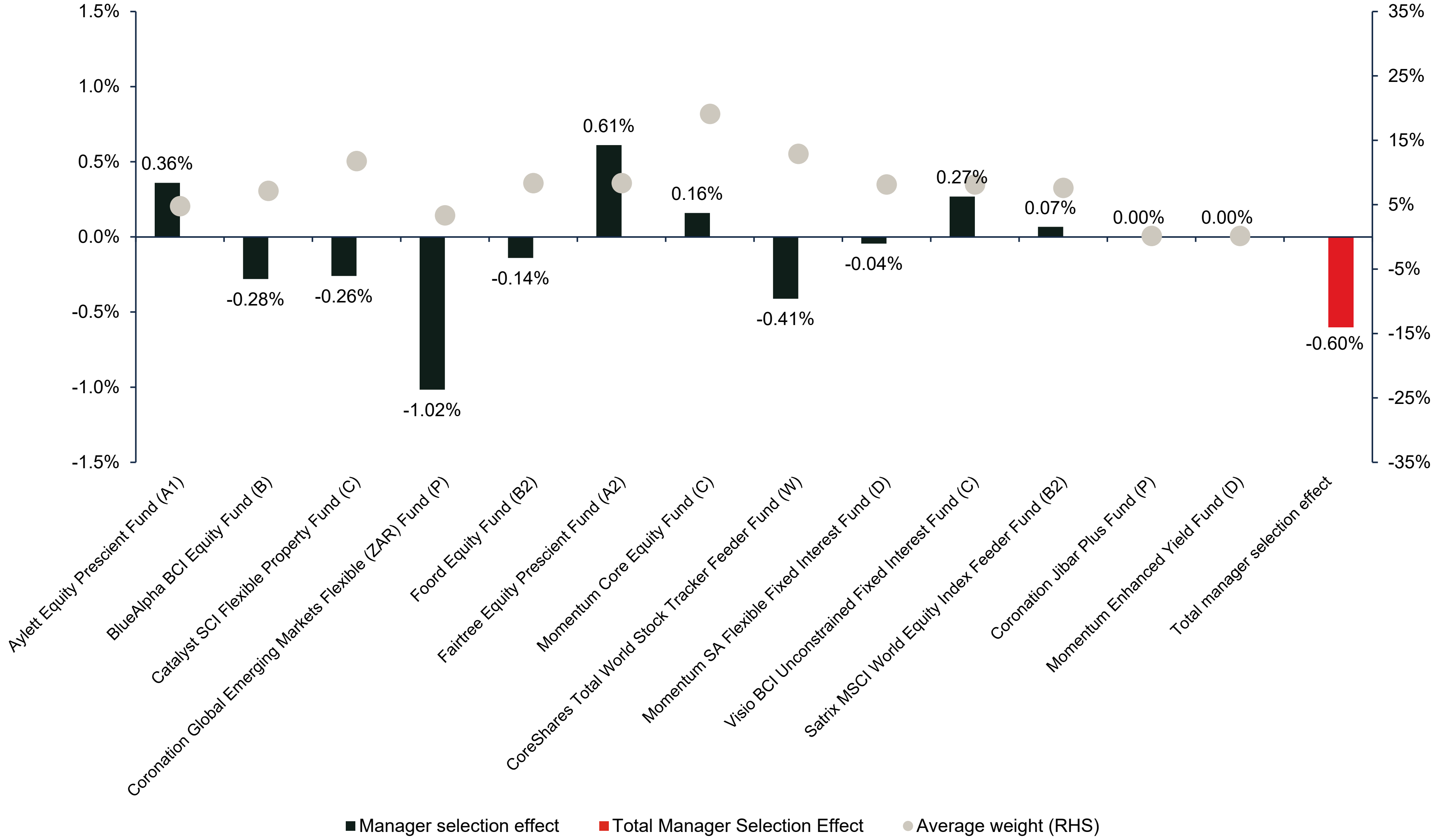
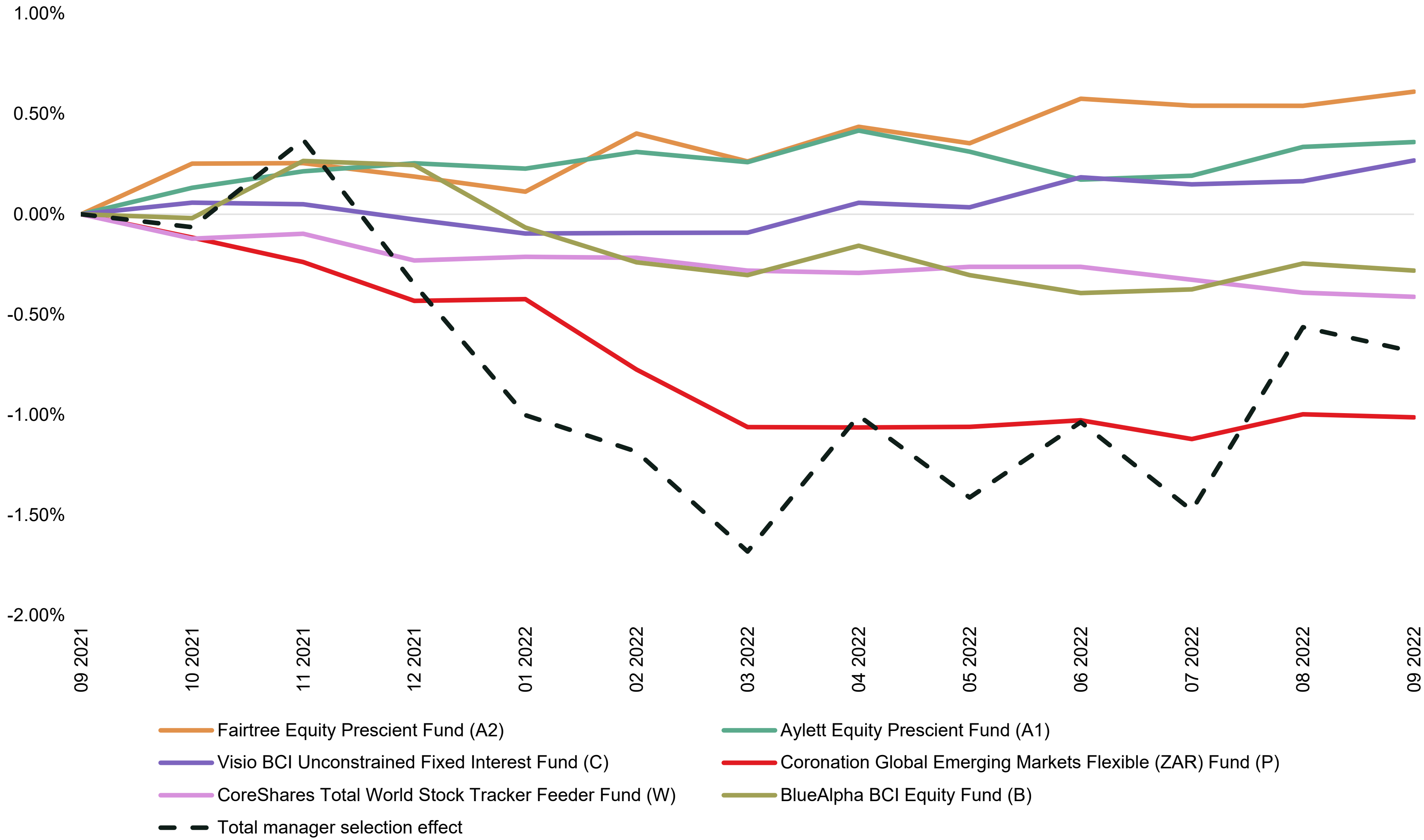


Figure 6.11: Cumulative manager selection effects: 12 months to 30 September 2022



2.7. Equilibrium Unconstrained Portfolio

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

2.7.1. Returns

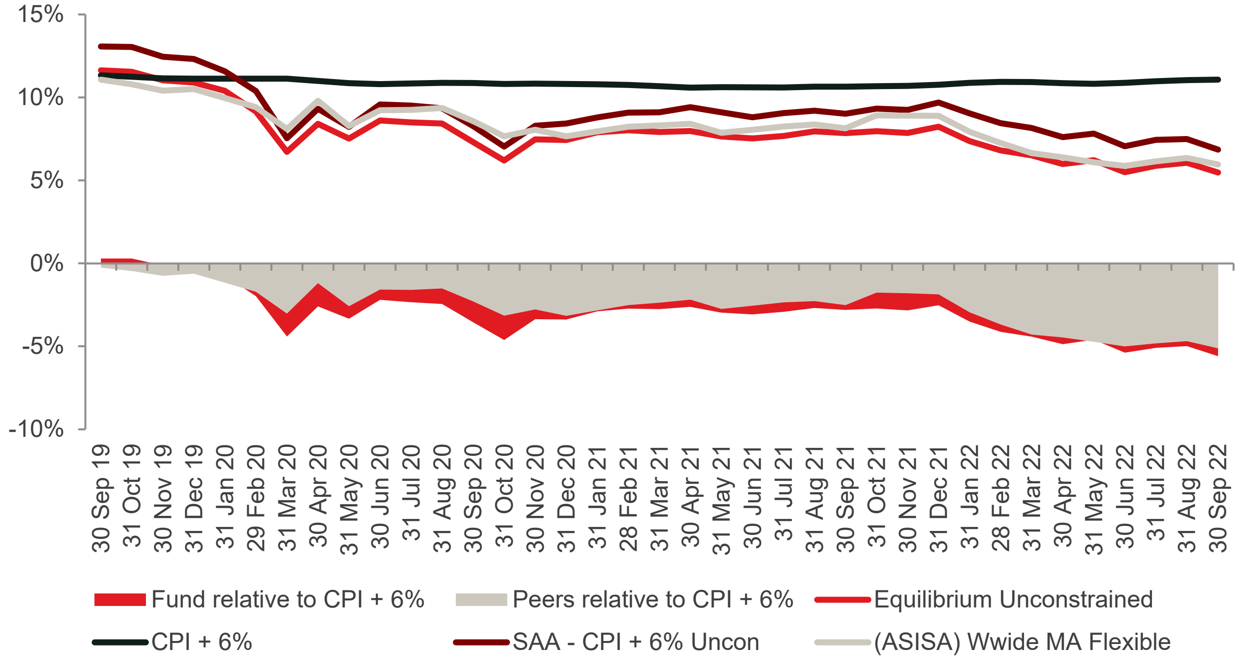
Figure 7.1: Trailing returns as at 30 September 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Unconstrained	-0.2%	-7.8%	-2.6%	6.0%	4.8%	5.5%	5.7%	63
Benchmark: CPI + 6%	4.2%	8.0%	13.6%	11.2%	11.0%	11.1%	10.8%	
SAA	-0.6%	-8.2%	-1.7%	6.4%	5.3%	6.9%	6.5%	
(ASISA) Wwide MA Flexible	*1.1%*	*-3.7%*	*-4.8%*	*5.6%*	*5.2%*	*6.0%*	*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 5.6% p.a. over the 7-year period to 30 September 2022. It also 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.

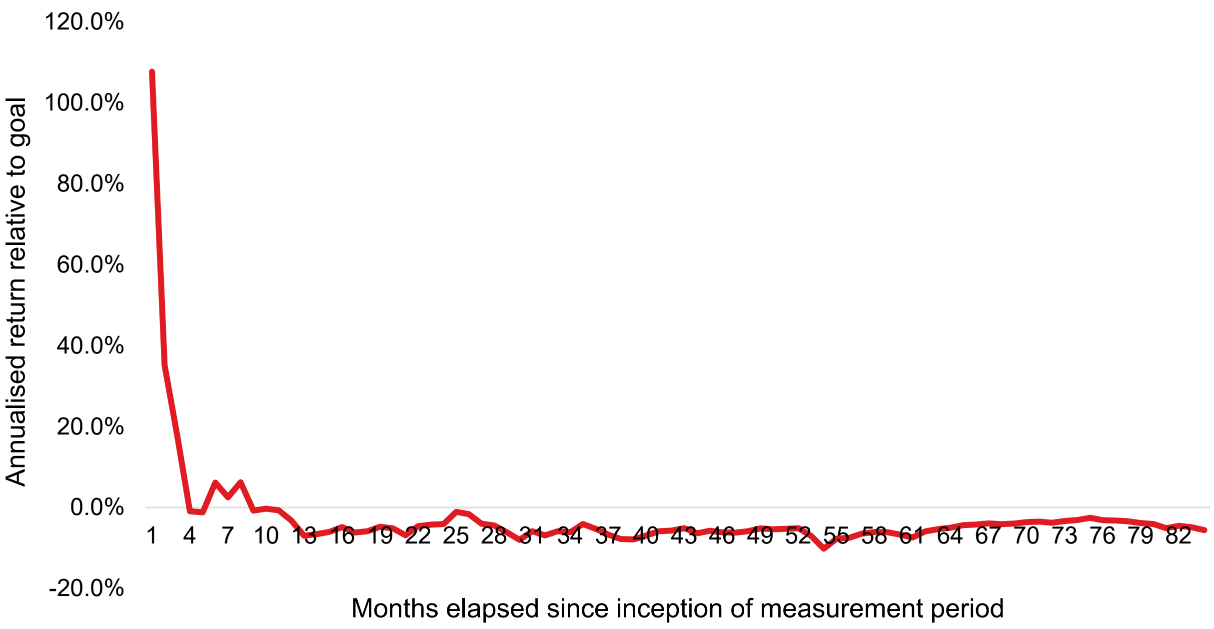
Figure 7.2: Rolling 7-year returns ann.: 10 years to 30 September 2022 *



	Equilibrium Unconstrained	(ASISA) Wwide MA Flexible
Number of observations	37	
Period outperforming	2	0
Realised probability of outperforming	5%	0%
Max outperformance p.a.	0.3%	-0.3%
Max underperformance p.a.	-5.6%	-5.1%

- 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.

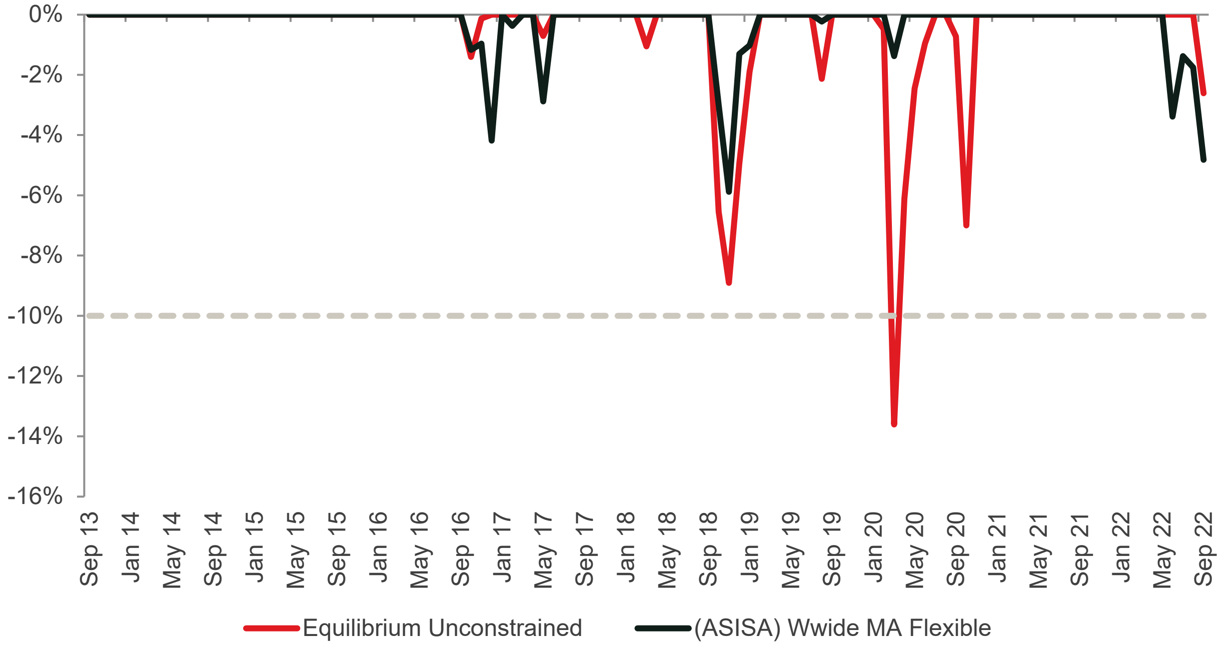
Figure 7.3: Portfolio performance relative to goal*



- Over the measurement period up to 30 September 2022 the portfolio's annualised returns relative to its goal were mainly below its target due to weak returns from growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark, barring the most recent sell-off since the beginning of the year.

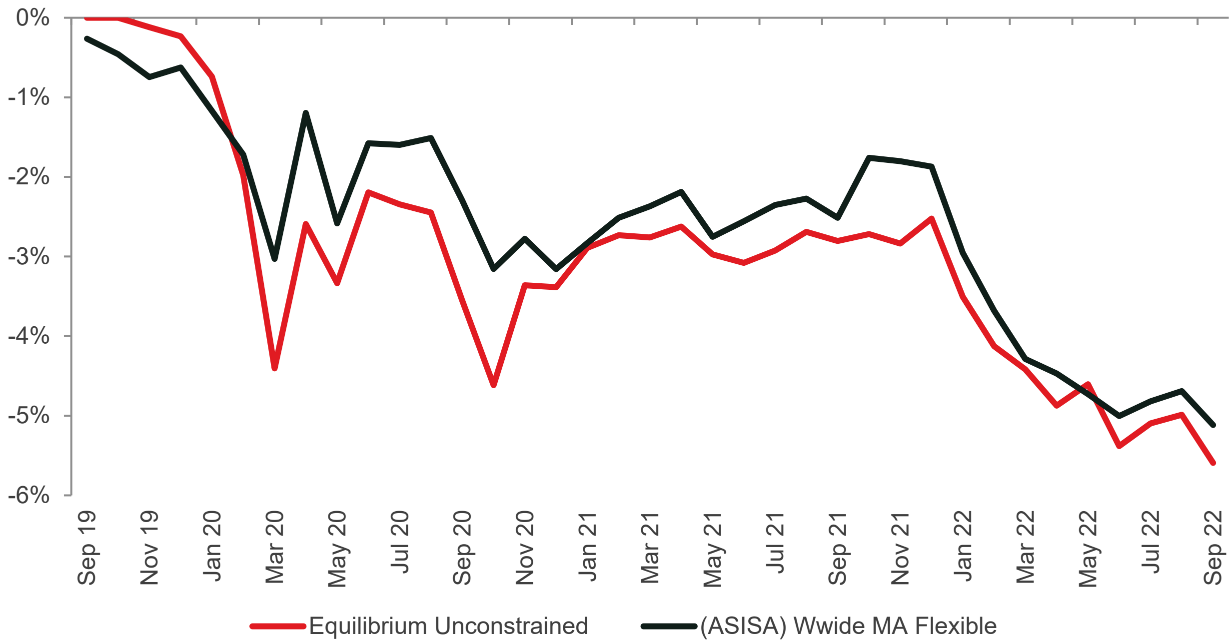
2.7.2. Risk

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

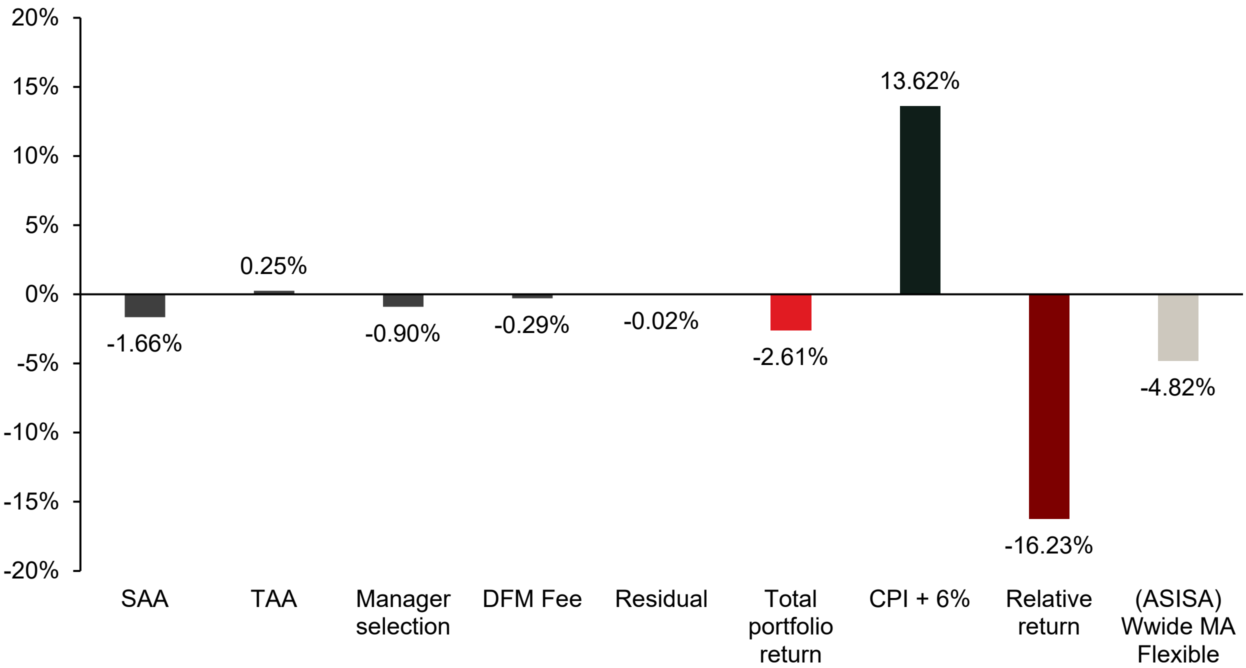


Figure 7.7: Strategic asset allocation effects: 12 months to 30 September 2022

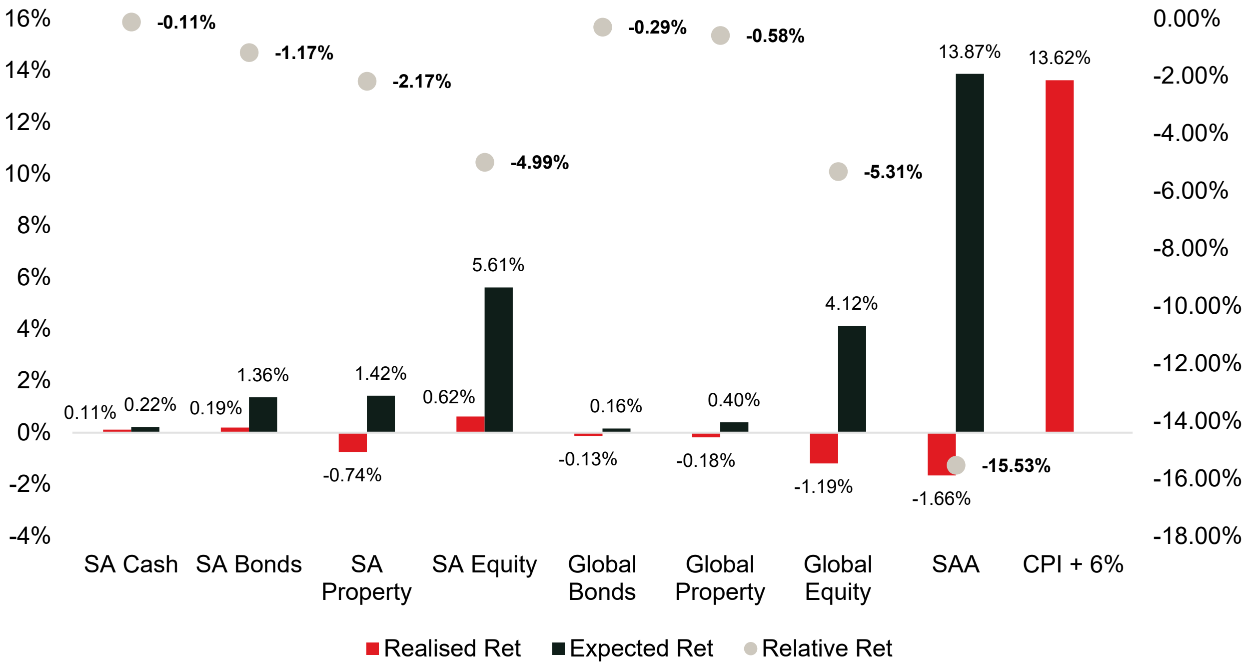


Figure 7.8: Tactical asset allocation effects: 12 months to 30 September 2022

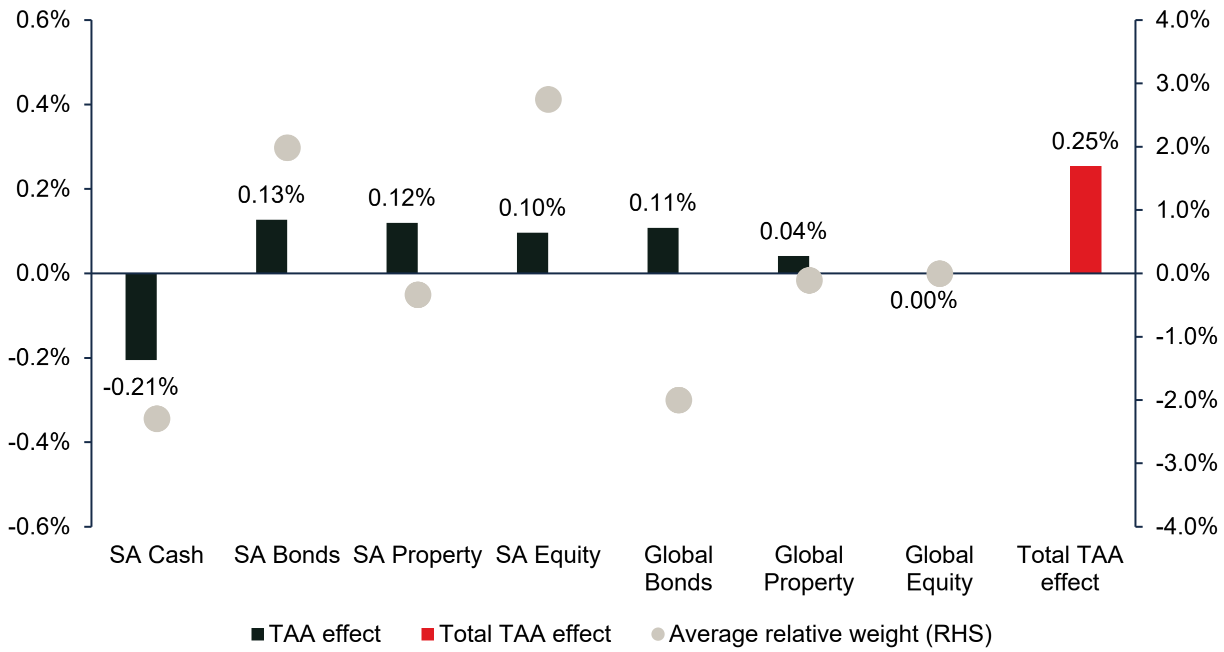


Figure 7.9: Cumulative tactical asset allocation effects: 12 months to 30 September 2022

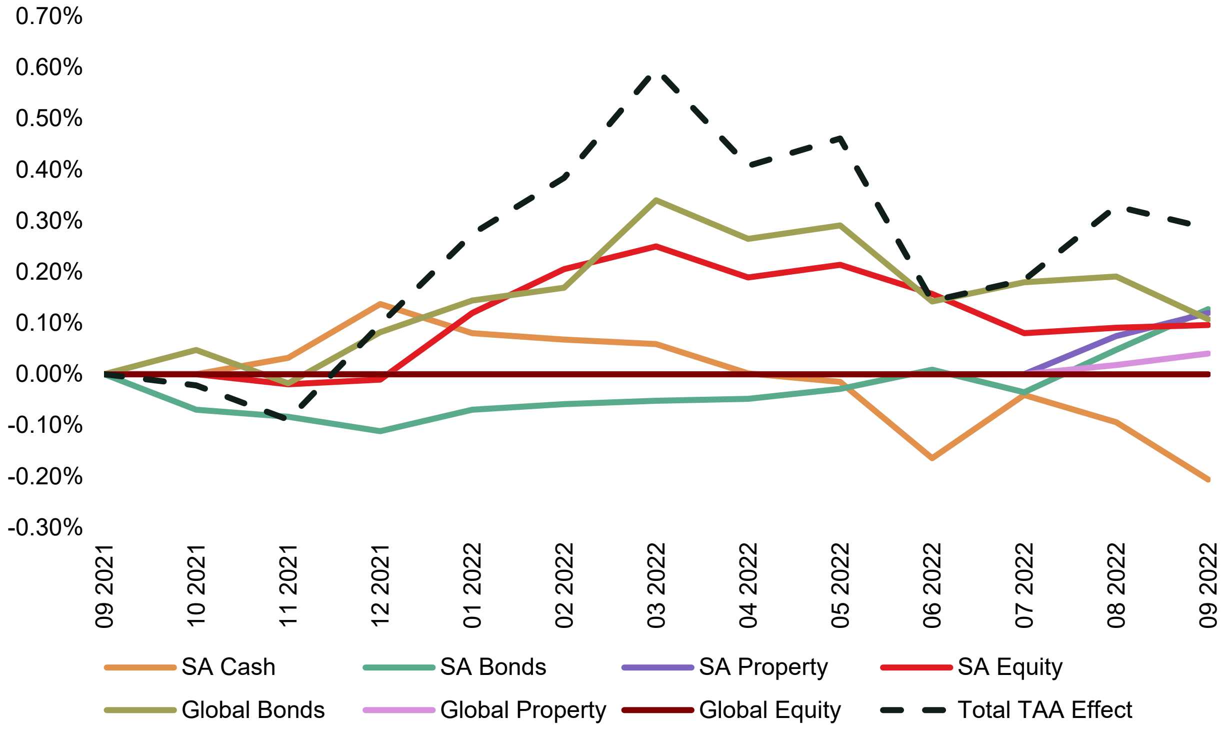


Figure 7.10: Manager selection effects: 12 months to 30 September 2022

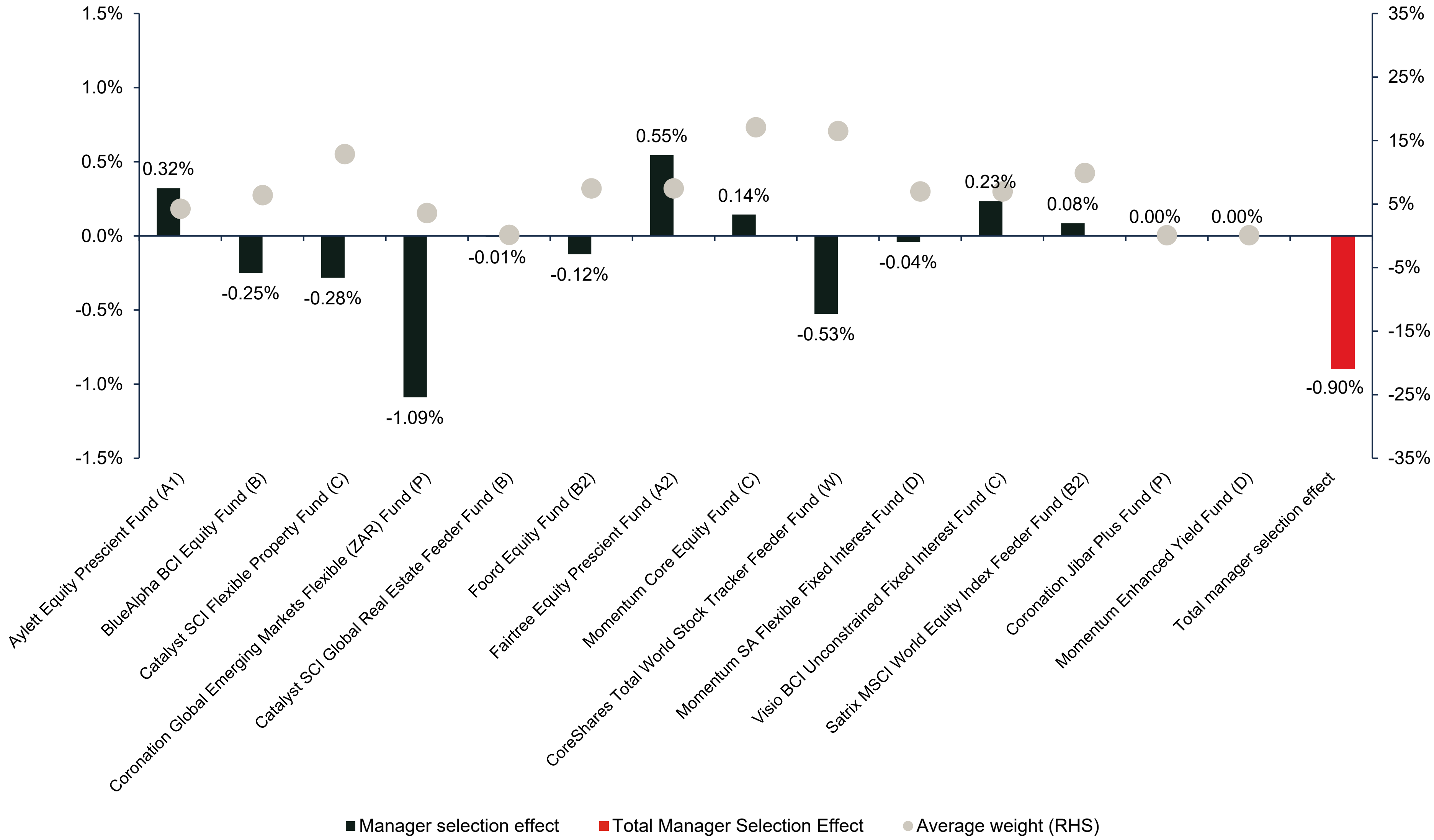
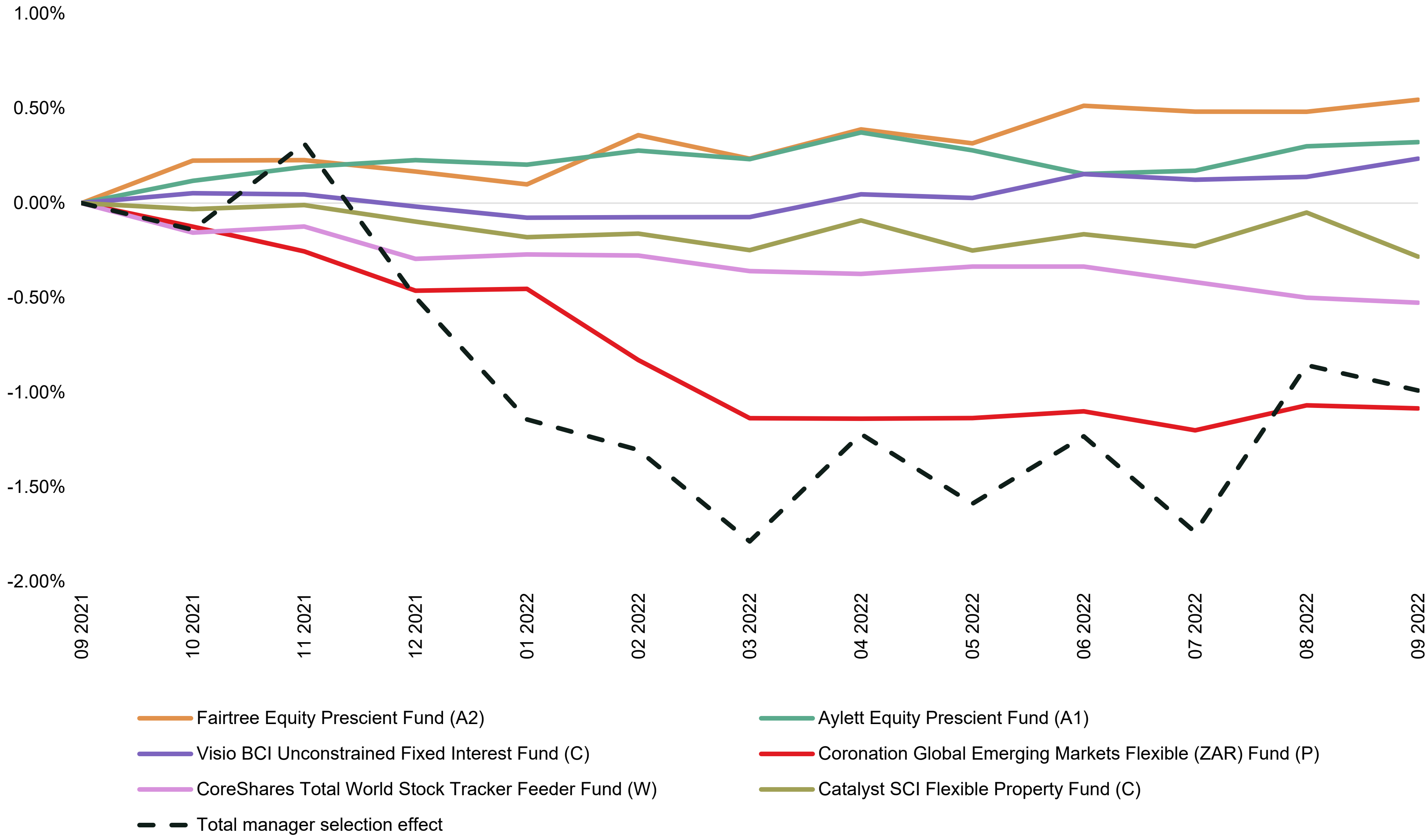


Figure 7.11: Cumulative manager selection effects: 12 months to 30 September 2022



3. Risk and return expectations

3.1. Value at Risk and realistic expected real returns

Portfolio	Value at Risk over 12m with 95% likelihood	Expected real return over investment horizon with 70% likelihood
Equilibrium Conservative	0.10%	1.07%
Equilibrium Stable	-3.08%	1.95%
Equilibrium Moderate	-4.61%	2.90%
Equilibrium Balanced	-6.71%	3.55%
Equilibrium Growth	-8.21%	4.19%
Equilibrium Unconstrained Growth	-8.21%	4.19%

3.2. Forward-looking probabilities of achieving stated benchmarks

Portfolio	Current
Equilibrium Conservative	62.77%
Equilibrium Stable	60.38%
Equilibrium Moderate	62.13%
Equilibrium Balanced	61.94%
Equilibrium Growth	46.57%
Equilibrium Unconstrained Growth	46.57%

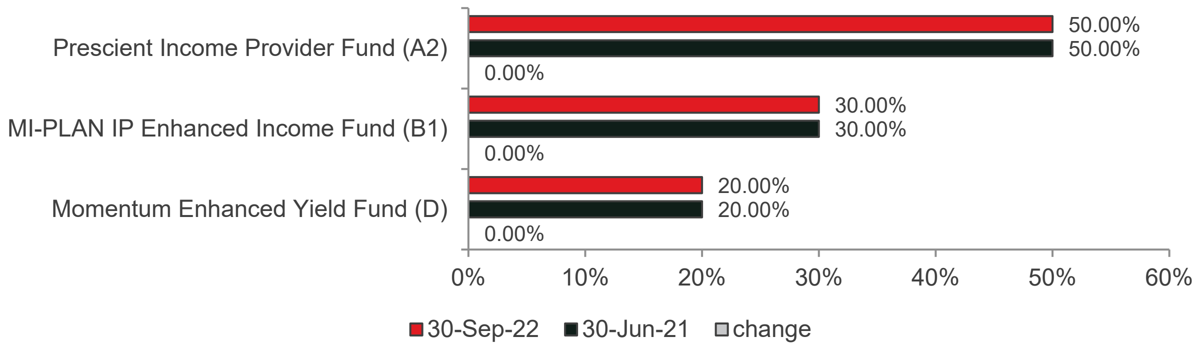
4. Current positioning & portfolio changes

4.1. Asset class house views

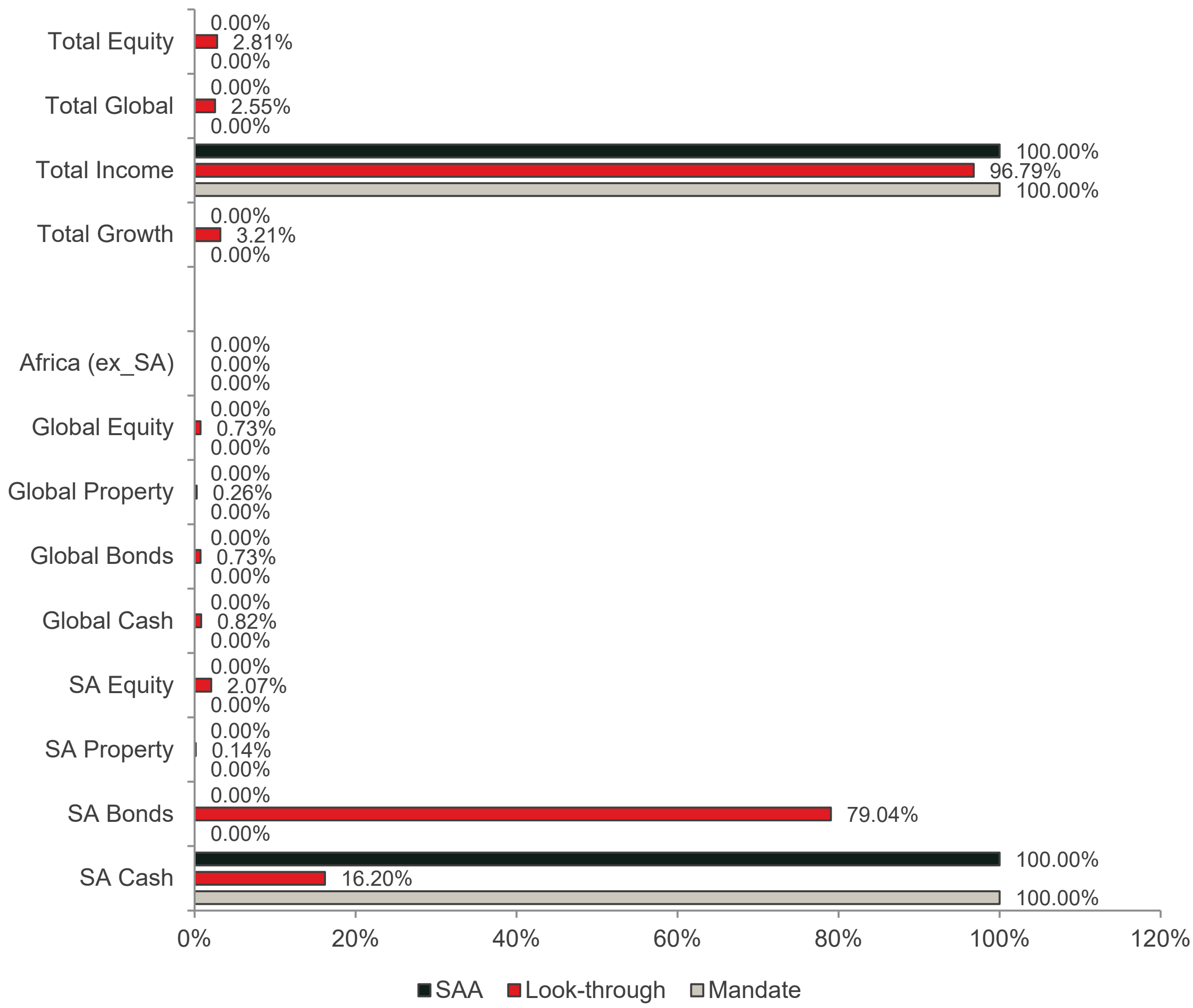
Asset Class	Q2 - 2022	Q3 - 2022
Local		
SA Bonds	Overweight	Overweight
SA Property	Neutral	Neutral
SA Equity	Neutral to Overweight	Neutral to Overweight
Offshore		
Global Cash	Neutral	Neutral
Global Bonds	Underweight to Neutral	Neutral
Global Equity	Neutral	Neutral to Underweight
Global Property	Neutral to Overweight	Neutral to Overweight

4.2. Equilibrium Income Portfolio

4.2.1. Building block allocation



4.2.2. Look-through asset allocation (as at 30 September 2022)

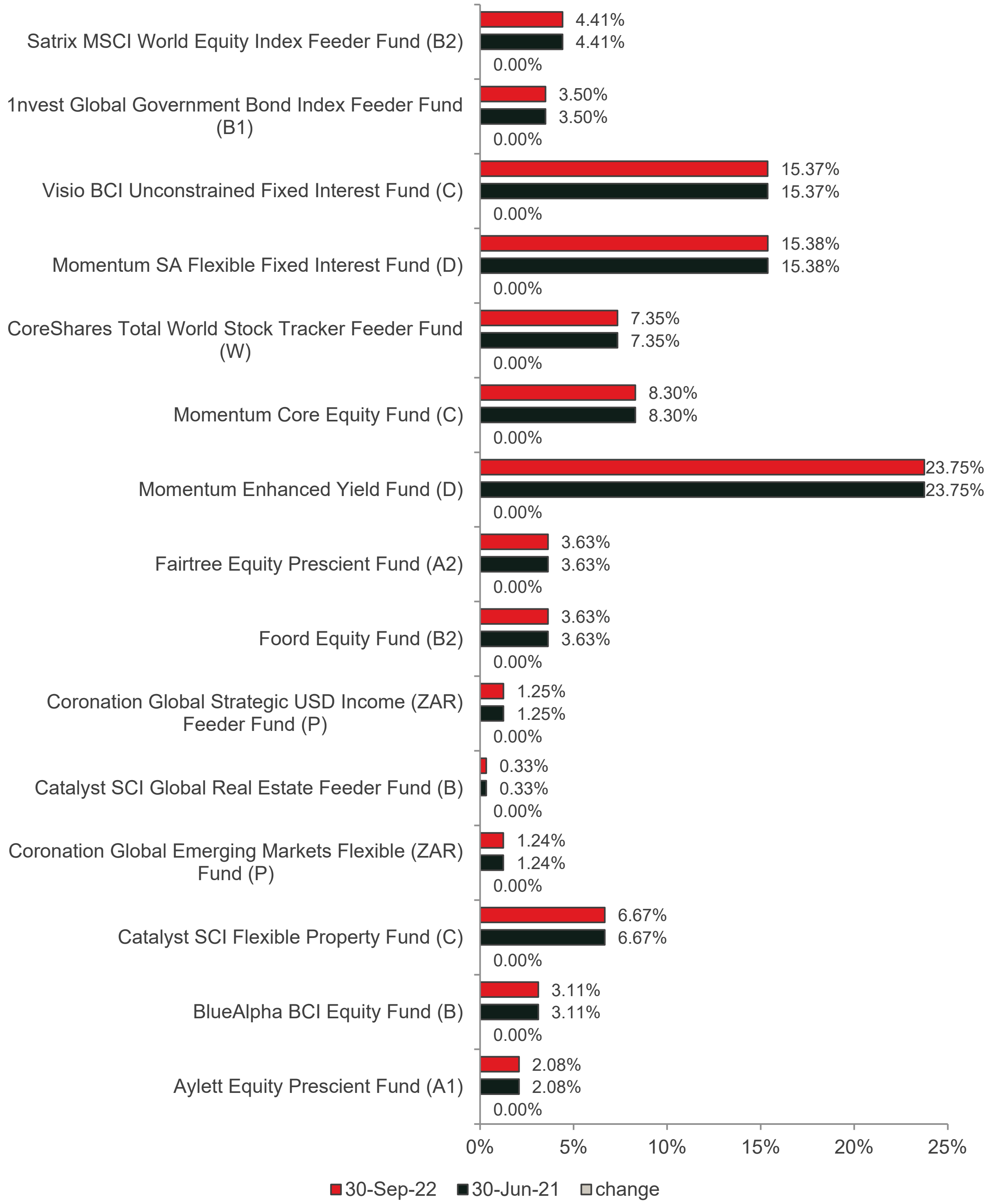


4.2.3. Portfolio changes

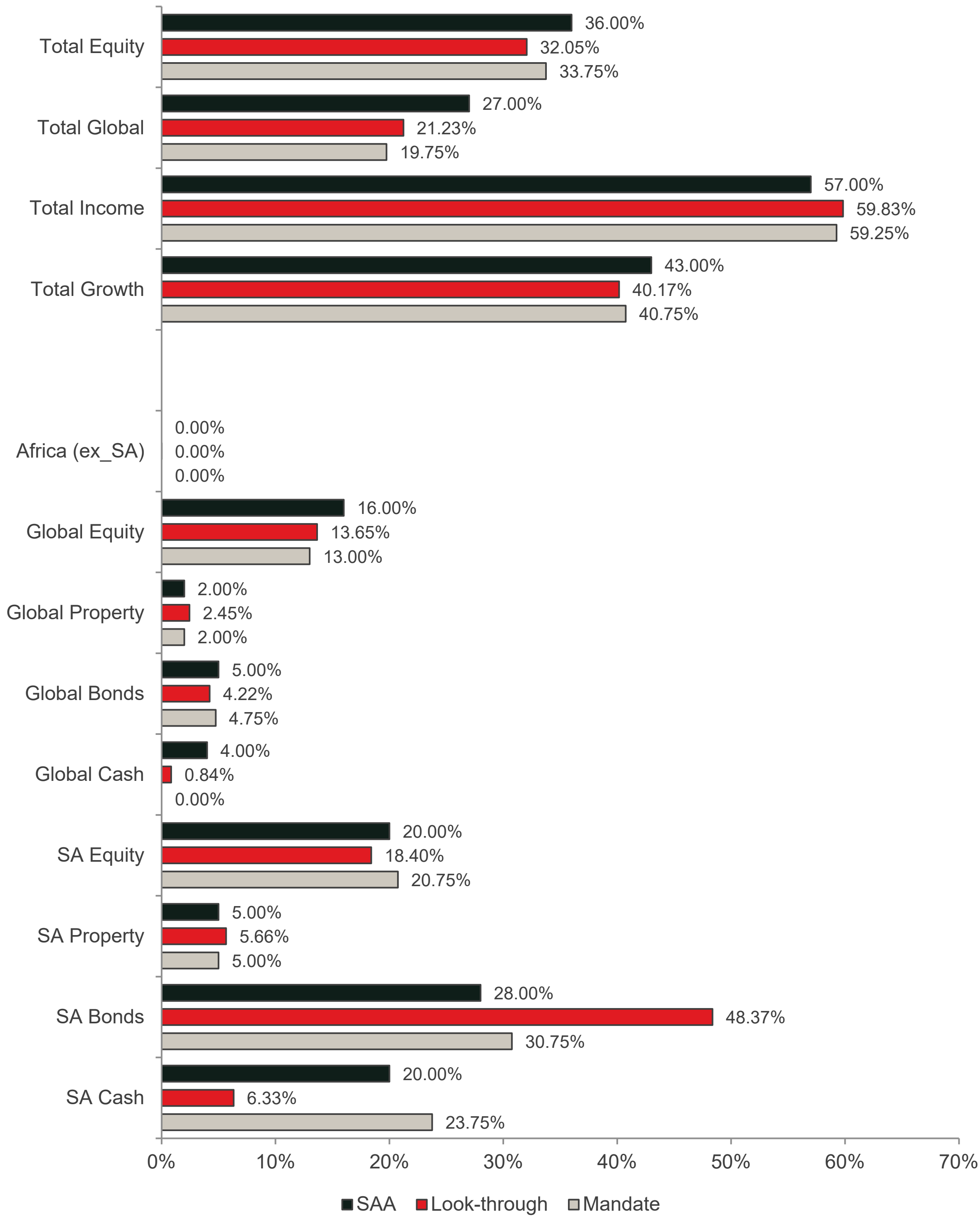
- No changes were made. The portfolio was rebalanced back to ideal allocations.

4.3. Equilibrium Conservative Portfolio

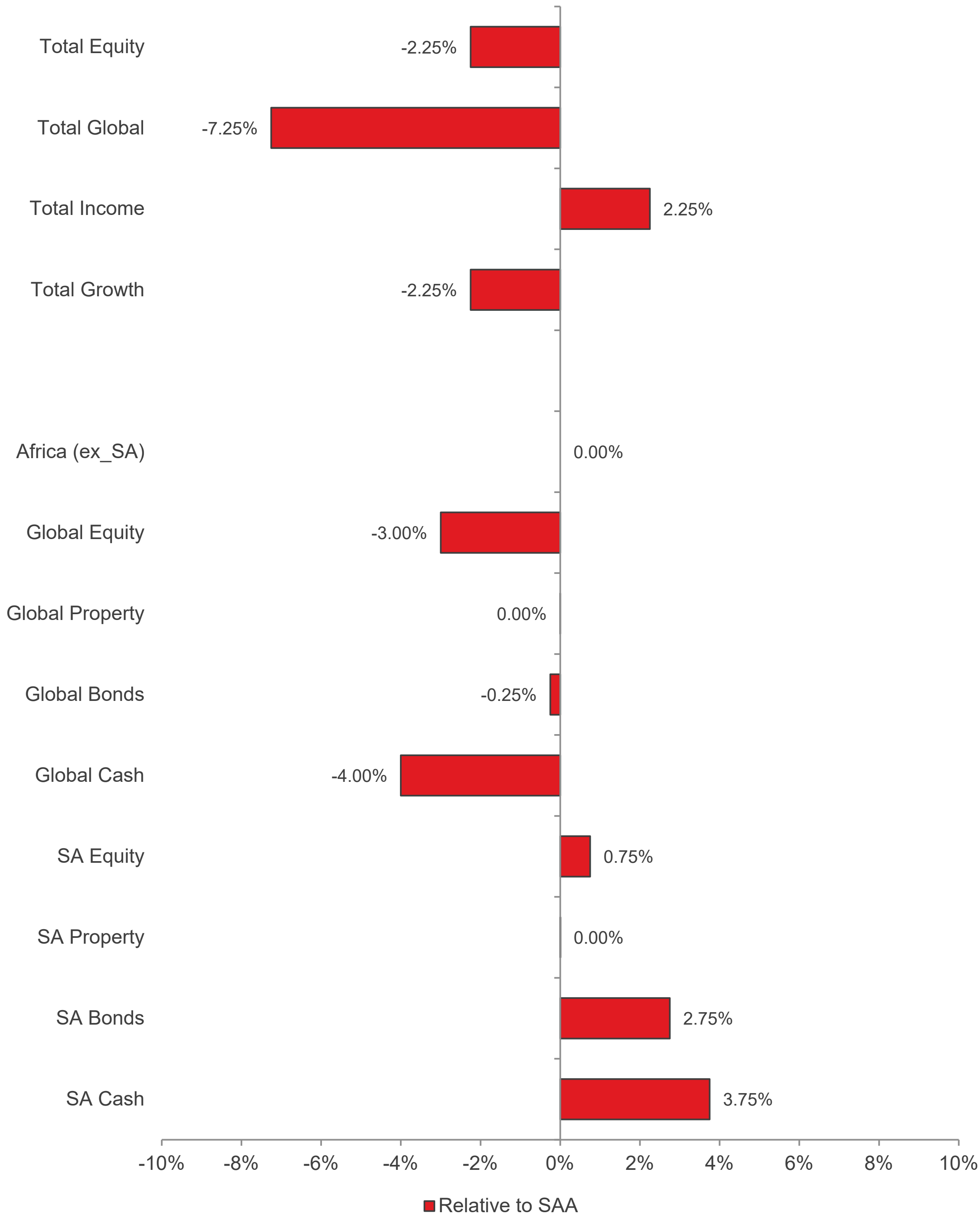
4.3.1. Building block allocation



4.3.2. Asset allocation as at 30 September 2022



4.3.3. Asset allocation: Relative to SAA



4.3.4. Portfolio changes

Considering our asset class views and the current positioning of the portfolio as well as the ongoing implementation of the new strategic asset allocation, we made the following changes:

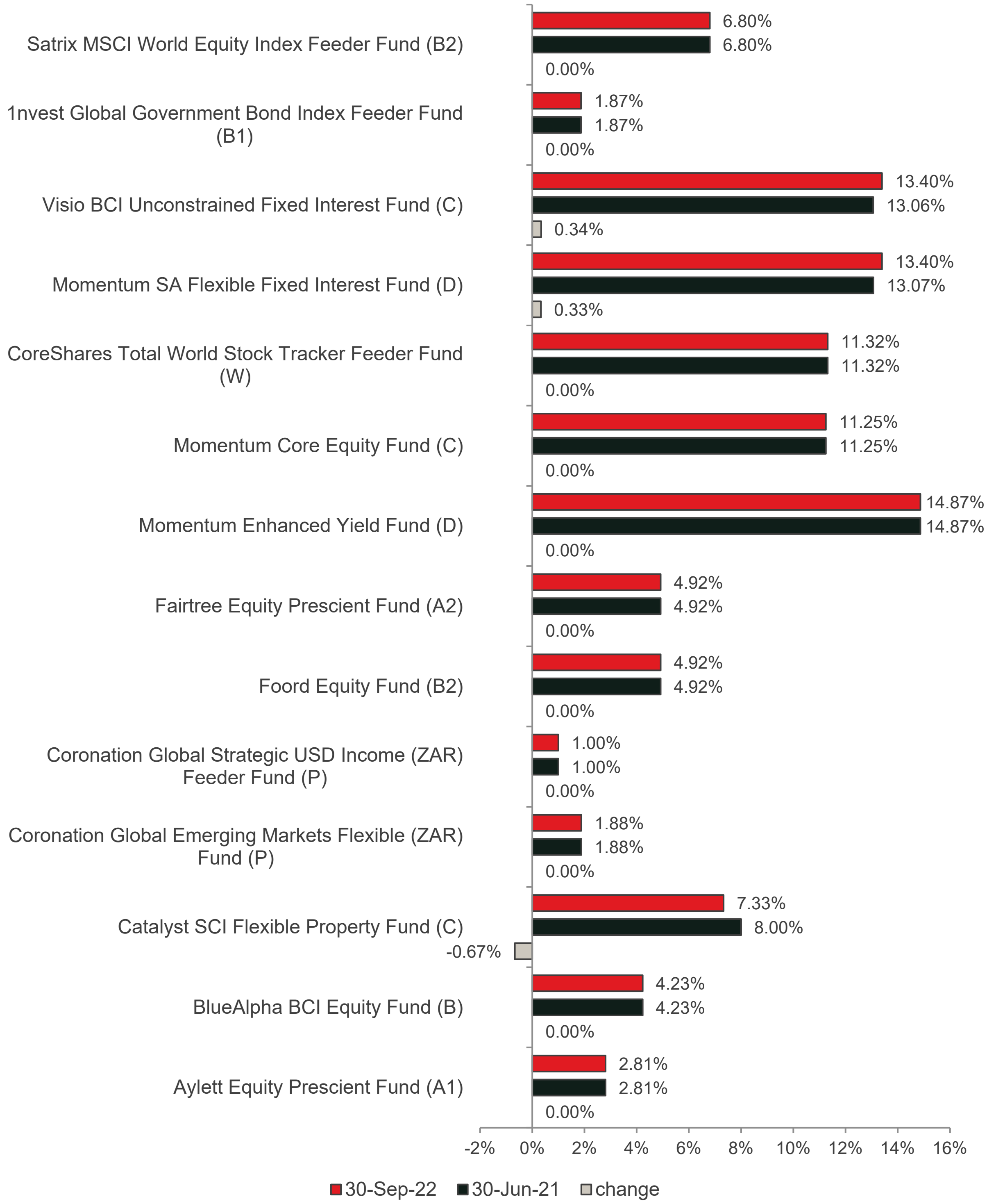
- Reduced local cash by 2.75%
- Increased global cash by 2.75%

The effective changes to the manager allocations were as follows:

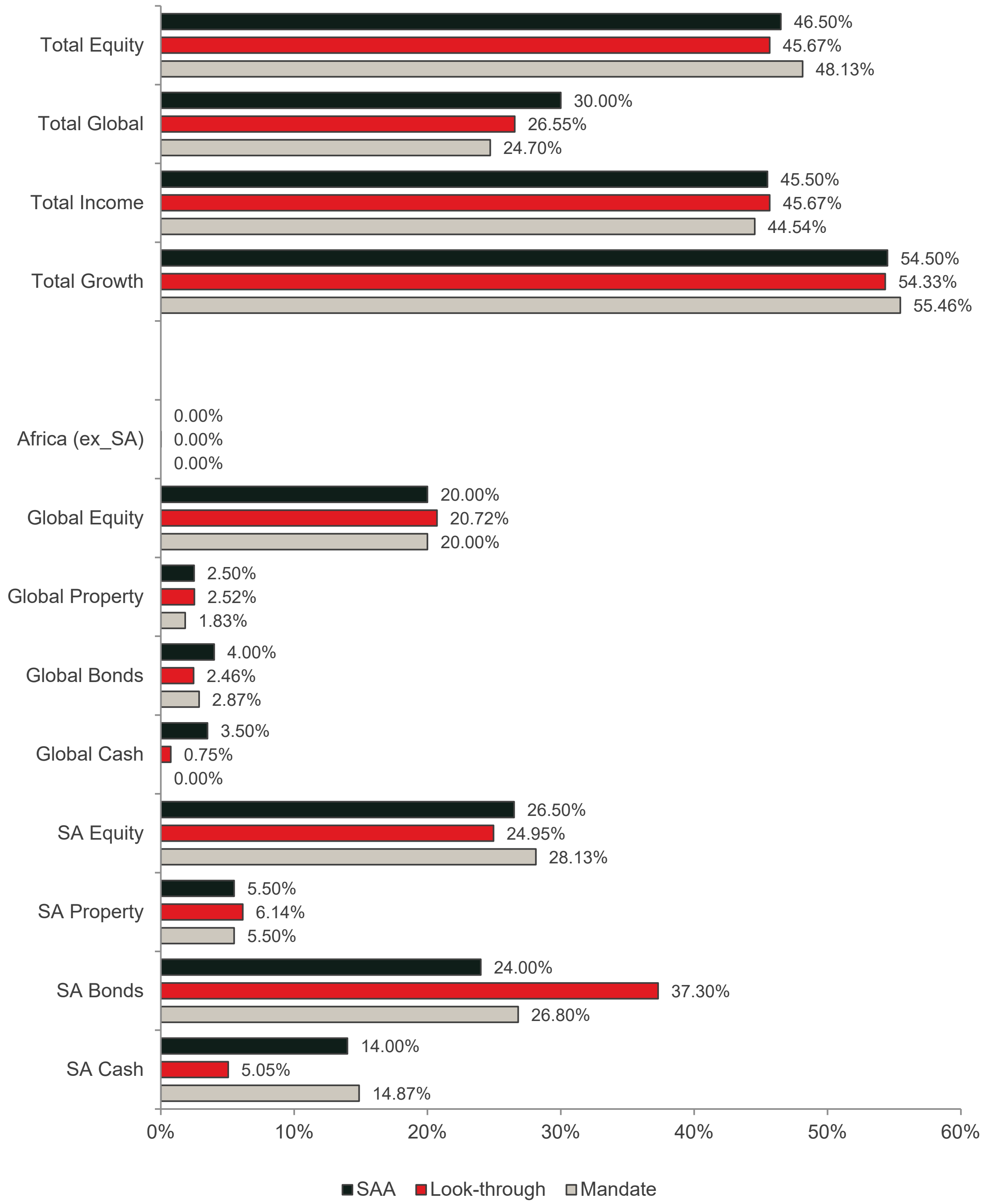
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.08%	**2.08%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	7.35%	**7.35%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	3.50%	**3.50%**	0.00%
Fairtree Equity Prescient Fund (A2)	3.63%	**3.63%**	0.00%
Foord Equity Fund (B2)	3.63%	**3.63%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	15.37%	**15.37%**	0.00%
Momentum Core Equity Fund (C)	8.30%	**8.30%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	15.38%	**15.38%**	0.00%
BlueAlpha BCI Equity Fund (B)	3.11%	**3.11%**	0.00%
Catalyst SCI Flexible Property Fund (C)	6.67%	**6.67%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	4.41%	**4.41%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.24%	**1.24%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.33%	**0.33%**	0.00%
Momentum Enhanced Yield Fund (D)	23.75%	**21.00%**	-2.75%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	1.25%	**4.00%**	2.75%
	100.00%	100.00%	0.00%

4.4. Equilibrium Stable Portfolio

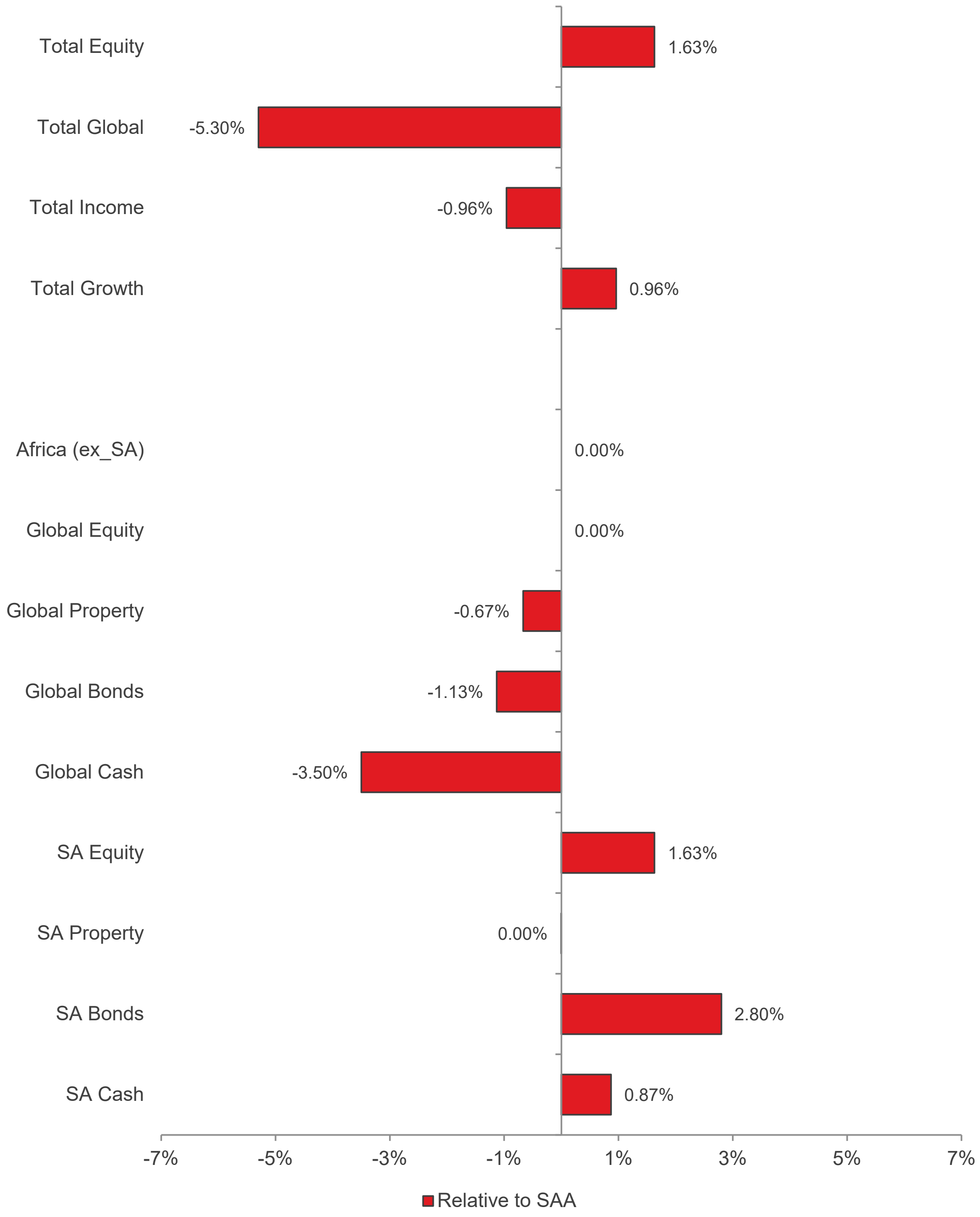
4.4.1. Building block allocation



4.4.2. Asset allocation as at 30 September 2022



4.4.3. Asset allocation: Relative to SAA



4.4.4. Portfolio changes

Considering our asset class views and the current positioning of the portfolio as well as the ongoing implementation of the new strategic asset allocation, we made the following changes:

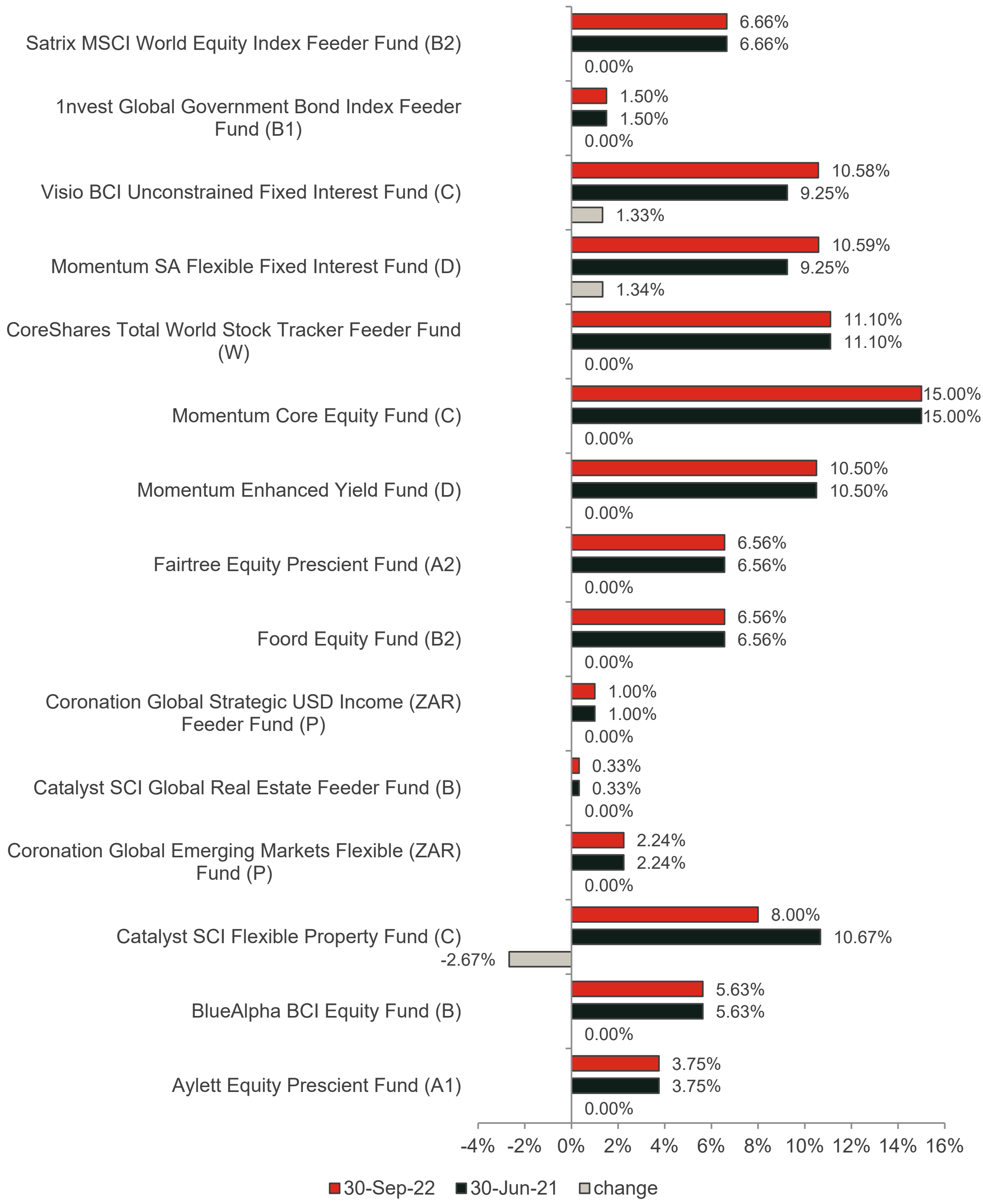
- Reduced local equities by 0.68%
- Reduced local bonds by 1.63%
- Reduced local cash by 0.87%
- Increased global property by 0.68%
- Increased global cash by 2.50%

The effective changes to the manager allocations were as follows:

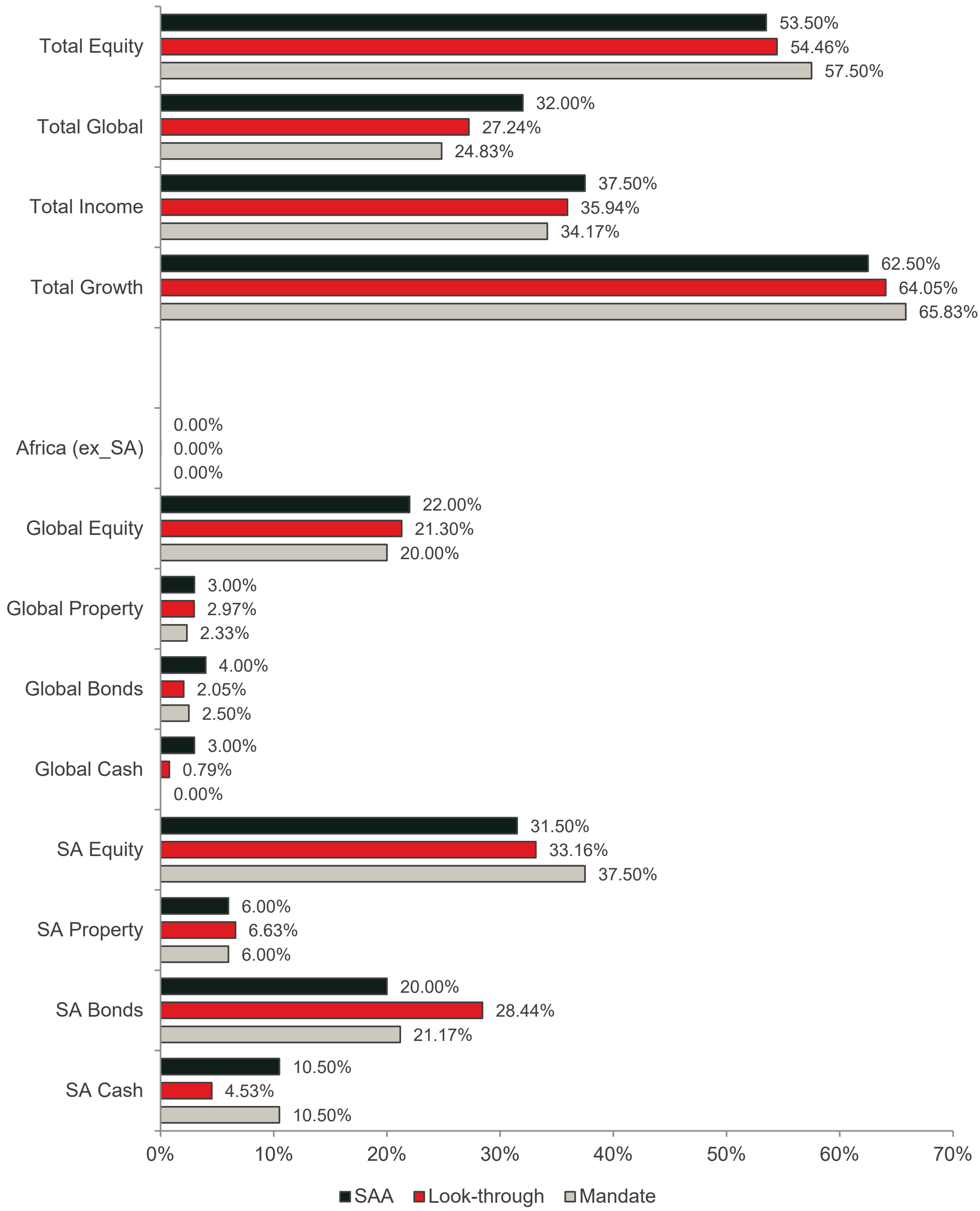
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.81%	**2.75%**	-0.06%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.80%	**6.80%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.88%	**1.88%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.32%	**11.32%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.87%	**1.87%**	0.00%
Fairtree Equity Prescient Fund (A2)	4.92%	**4.80%**	-0.12%
Foord Equity Fund (B2)	4.92%	**4.80%**	-0.12%
Visio BCI Unconstrained Fixed Interest Fund (C)	13.40%	**12.58%**	-0.82%
Momentum Core Equity Fund (C)	11.25%	**10.98%**	-0.27%
Momentum SA Flexible Fixed Interest Fund (D)	13.40%	**12.59%**	-0.81%
BlueAlpha BCI Equity Fund (B)	4.23%	**4.12%**	-0.11%
Catalyst SCI Flexible Property Fund (C)	7.33%	**7.33%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.00%	**0.68%**	0.68%
Momentum Enhanced Yield Fund (D)	14.87%	**14.00%**	-0.87%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	1.00%	**3.50%**	2.50%
	100.00%	100.00%	0.00%

4.5. Equilibrium Moderate Portfolio

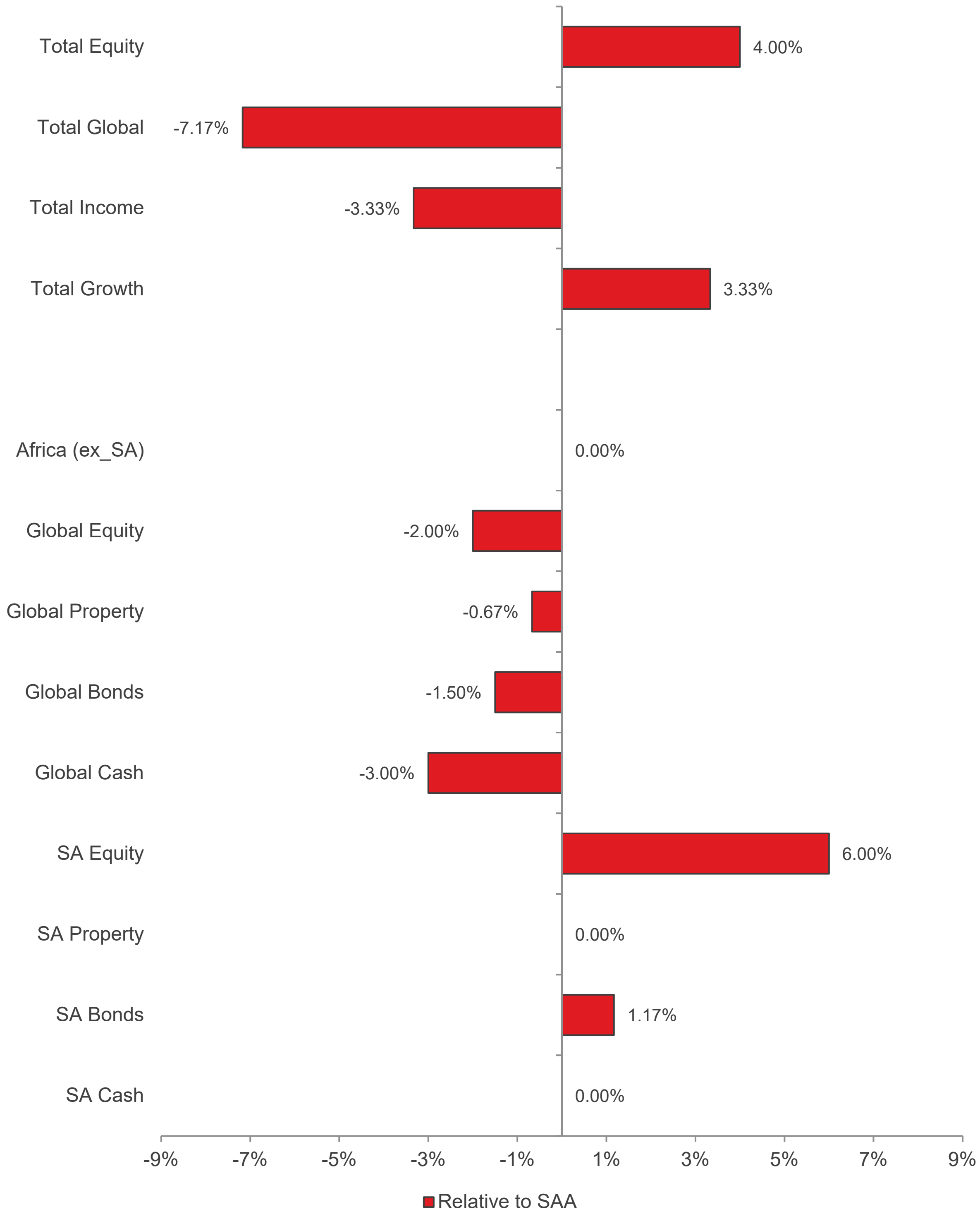
4.5.1. Building block allocation



4.5.2. Look-through asset allocation (as at 30 September 2022)



4.5.3. Look-through asset allocation: Relative to SAA



4.5.4. Portfolio changes

Considering our asset class views and the current positioning of the portfolio as well as the ongoing implementation of the new strategic asset allocation, we made the following changes:

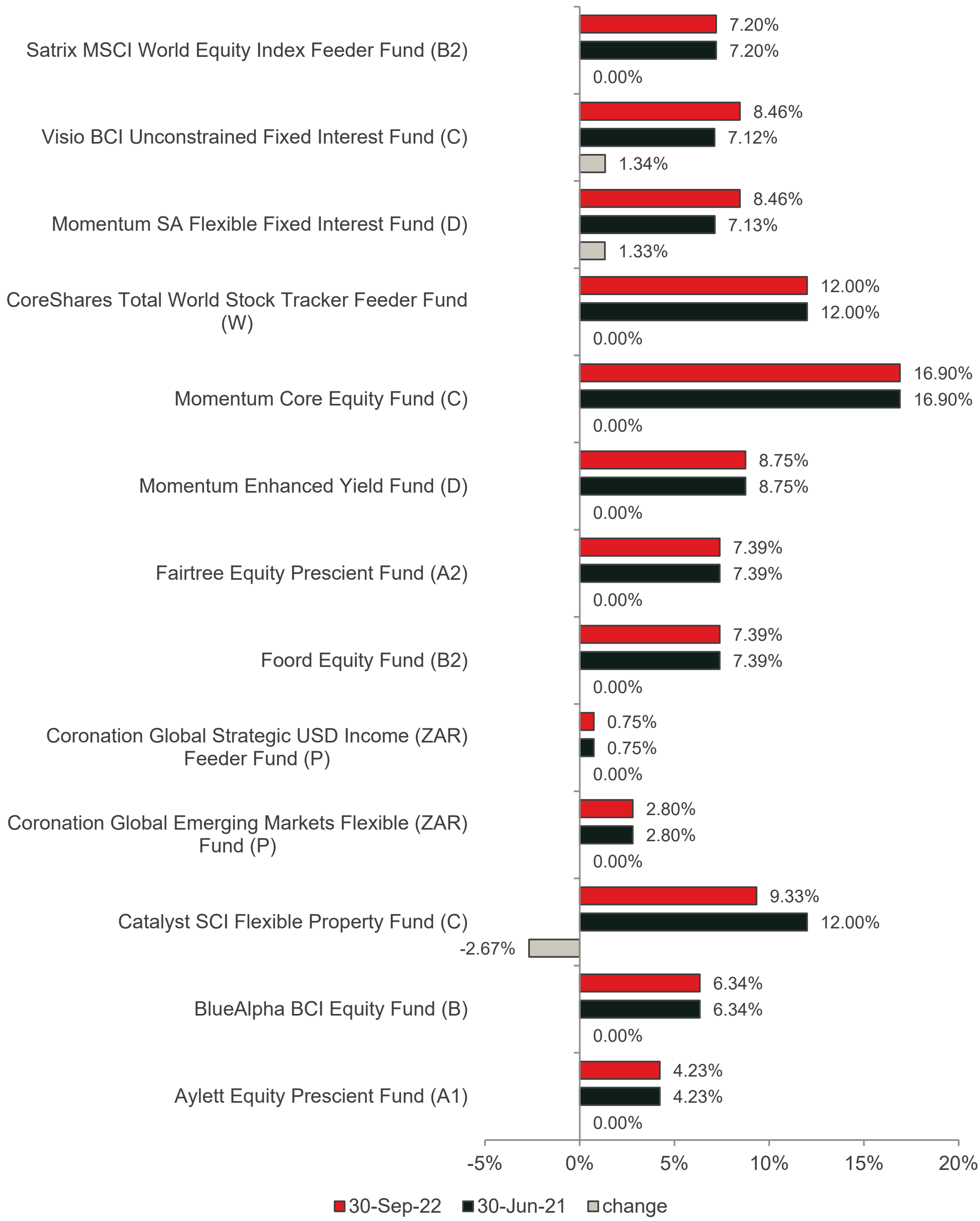
- Reduced local equities by 2.67%
- Increased global property by 0.67%
- Increased global cash by 2.00%

The effective changes to the manager allocations were as follows:

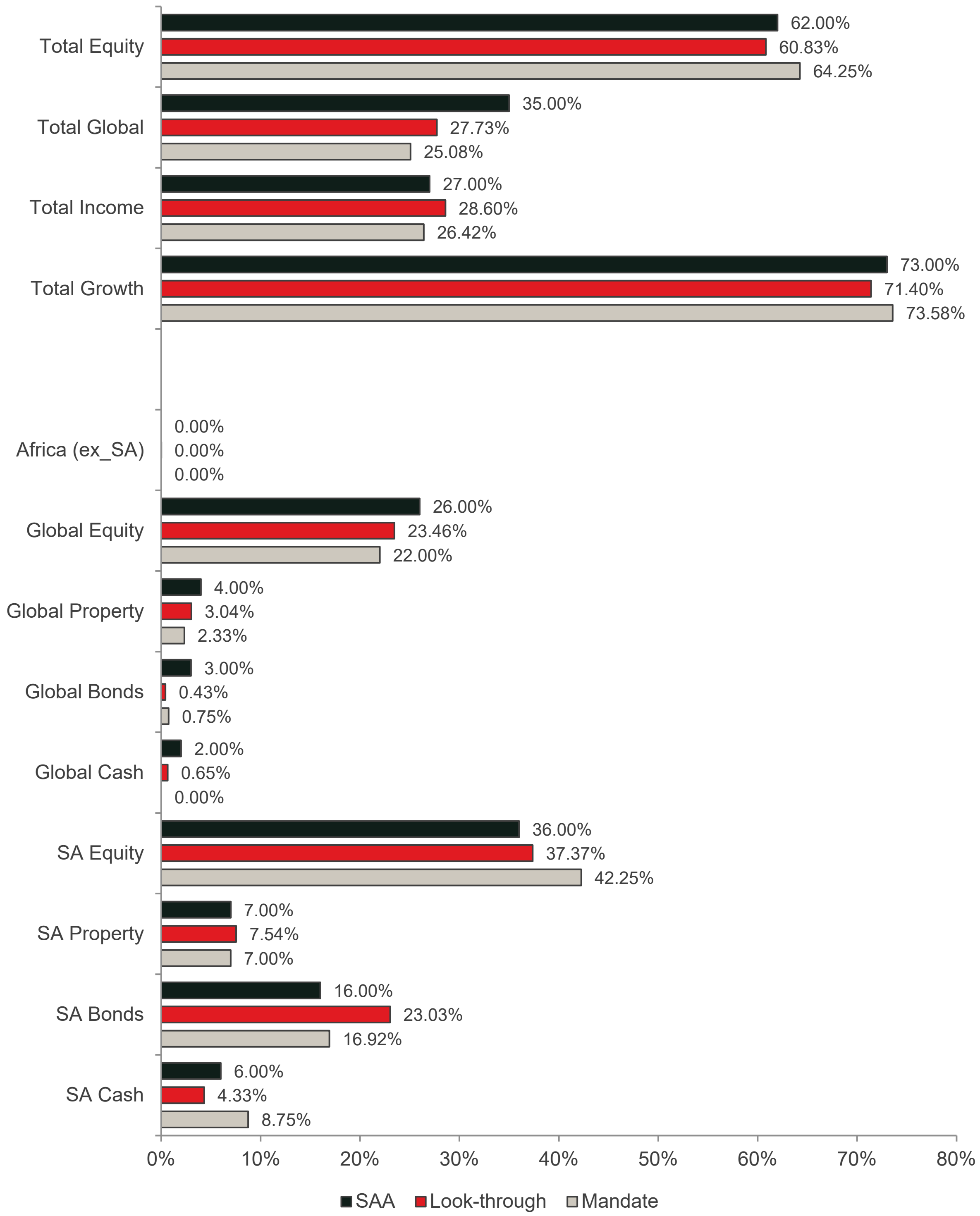
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.75%	**3.48%**	-0.27%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.66%	**6.66%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.24%	**2.24%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.10%	**11.10%**	0.00%
Fairtree Equity Prescient Fund (A2)	6.56%	**6.09%**	-0.47%
Foord Equity Fund (B2)	6.56%	**6.09%**	-0.47%
Visio BCI Unconstrained Fixed Interest Fund (C)	10.58%	**10.58%**	0.00%
Momentum Core Equity Fund (C)	15.00%	**13.94%**	-1.06%
Momentum SA Flexible Fixed Interest Fund (D)	10.59%	**10.59%**	0.00%
BlueAlpha BCI Equity Fund (B)	5.63%	**5.23%**	-0.40%
Catalyst SCI Flexible Property Fund (C)	8.00%	**8.00%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.33%	**1.00%**	0.67%
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%	**3.00%**	2.00%
	100.00%	100.00%	0.00%

4.6. Equilibrium Balanced Portfolio

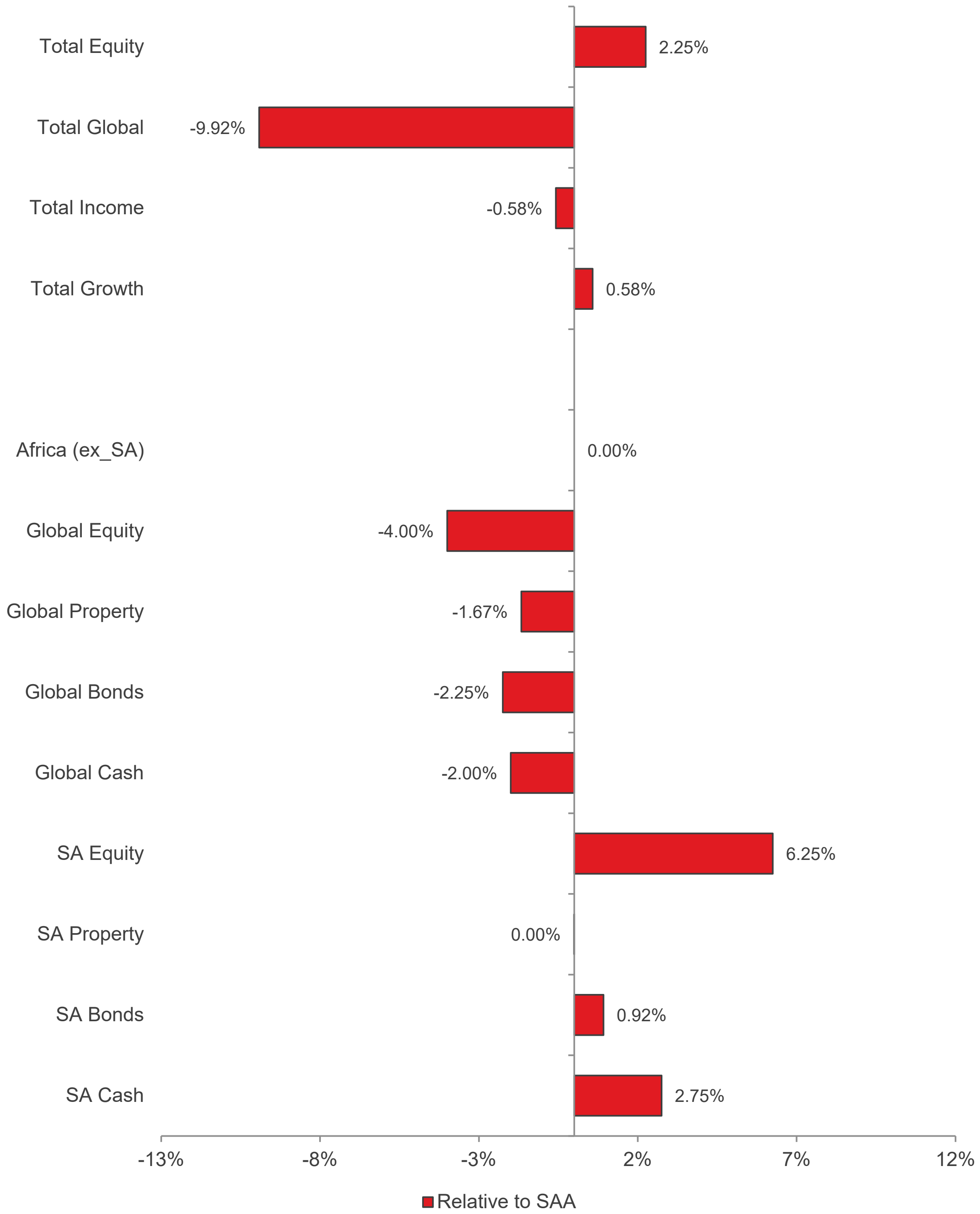
4.6.1. Building block allocation



4.6.2. Look-through asset allocation (as at 30 September 2022)



4.6.3. Look-through asset allocation: Relative to SAA



4.6.4. Portfolio changes

Considering our asset class views and the current positioning of the portfolio as well as the ongoing implementation of the new strategic asset allocation, we made the following changes:

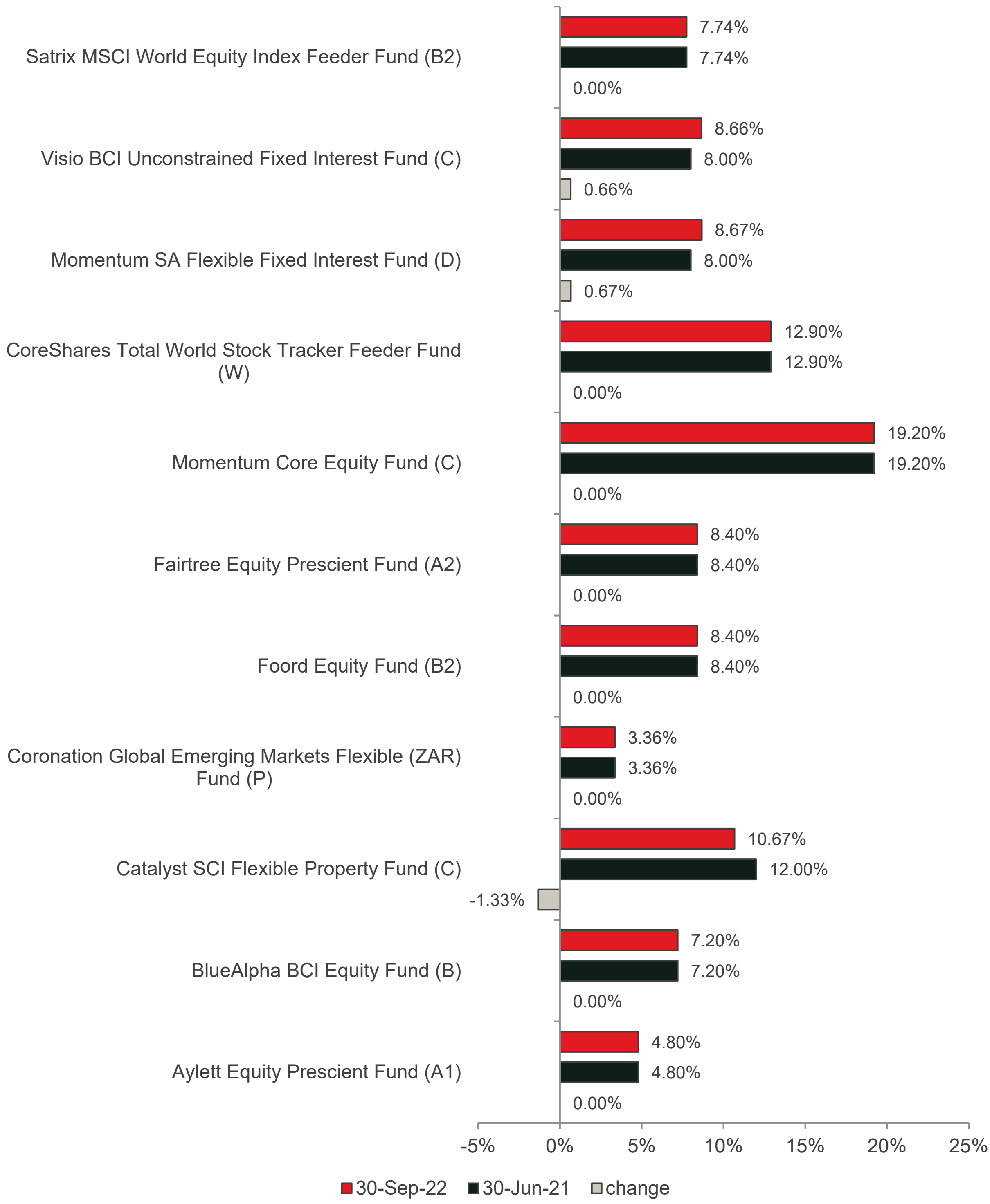
- Reduced local equities by 0.17%
- Reduced local cash by 2.75%
- Increased global property by 1.67%
- Increased global cash by 1.25%

The effective changes to the manager allocations were as follows:

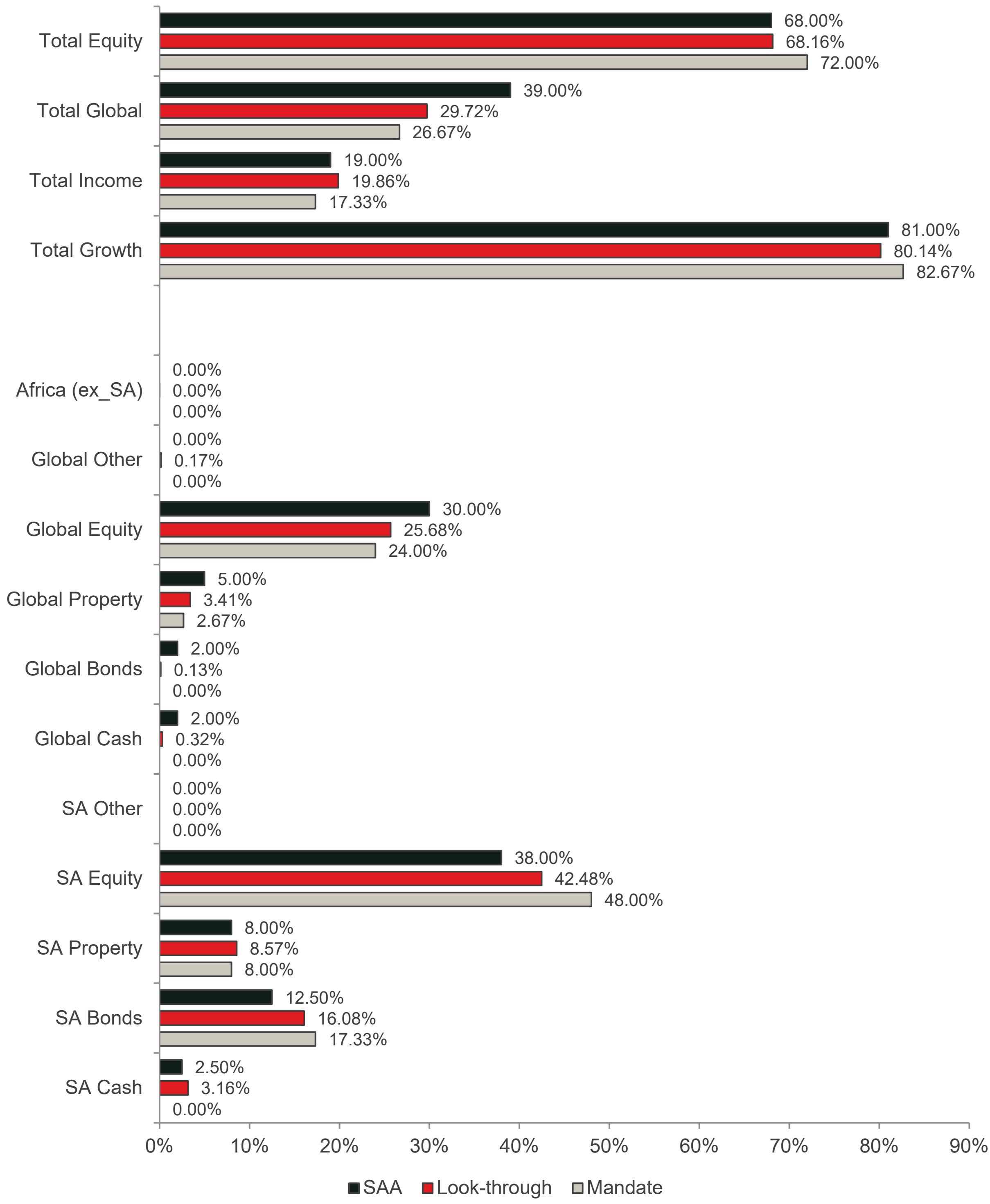
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.23%	**4.22%**	-0.01%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.20%	**7.20%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.80%	**2.80%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.00%	**12.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.39%	**7.36%**	-0.03%
Foord Equity Fund (B2)	7.39%	**7.36%**	-0.03%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.46%	**8.46%**	0.00%
Momentum Core Equity Fund (C)	16.90%	**16.83%**	-0.07%
Momentum SA Flexible Fixed Interest Fund (D)	8.46%	**8.46%**	0.00%
BlueAlpha BCI Equity Fund (B)	6.34%	**6.31%**	-0.03%
Catalyst SCI Flexible Property Fund (C)	9.33%	**9.33%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.00%	**1.67%**	1.67%
Momentum Enhanced Yield Fund (D)	8.75%	**6.00%**	-2.75%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.75%	**2.00%**	1.25%
	100.00%	100.00%	0.00%

4.7. Equilibrium Growth Portfolio

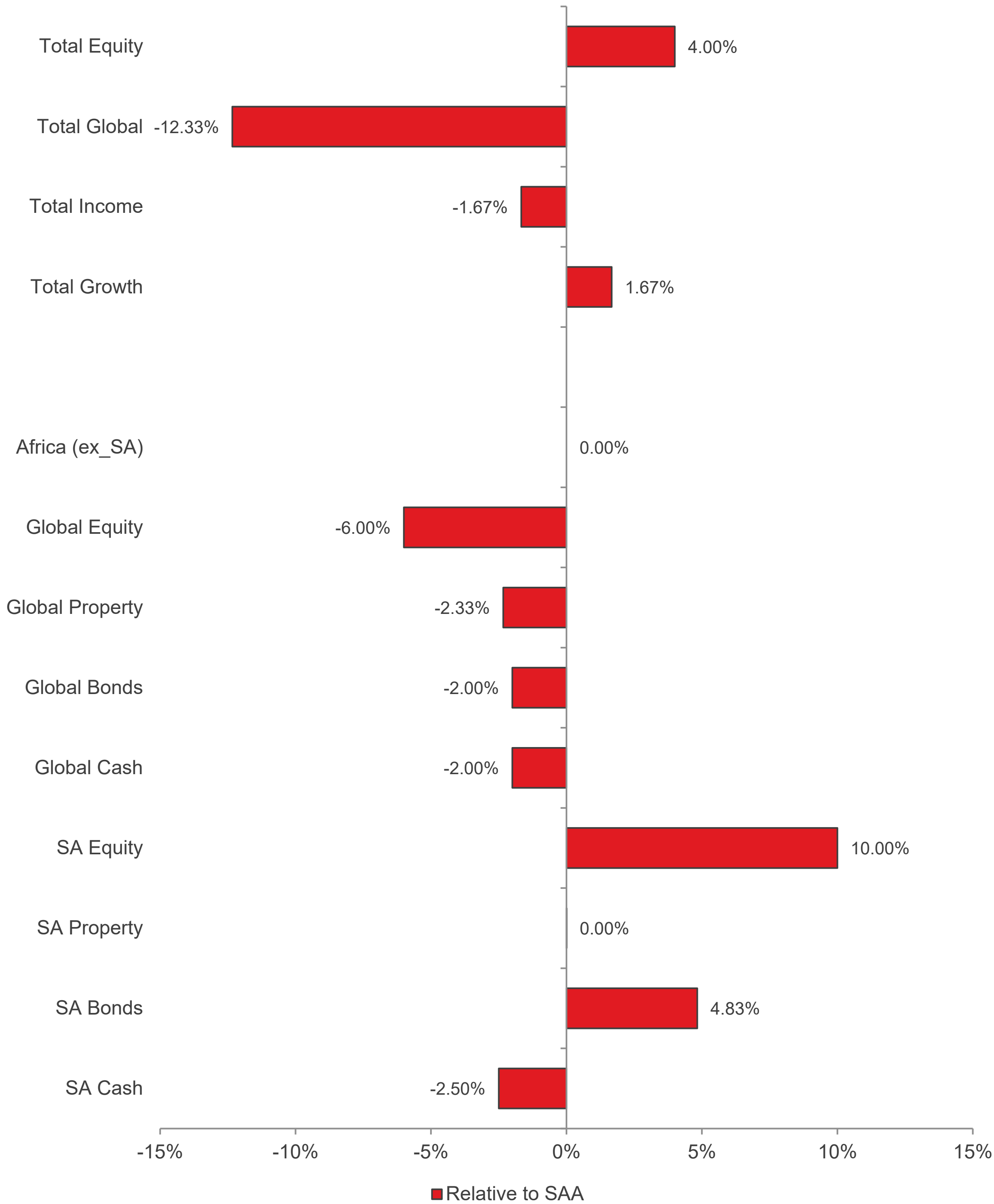
4.7.1. Building block allocation



4.7.2. Asset allocation (as at 30 September 2022)



4.7.3. Asset allocation: Relative to SAA



4.7.4. Portfolio changes

Considering our asset class views and the current positioning of the portfolio as well as the ongoing implementation of the new strategic asset allocation, we made the following changes:

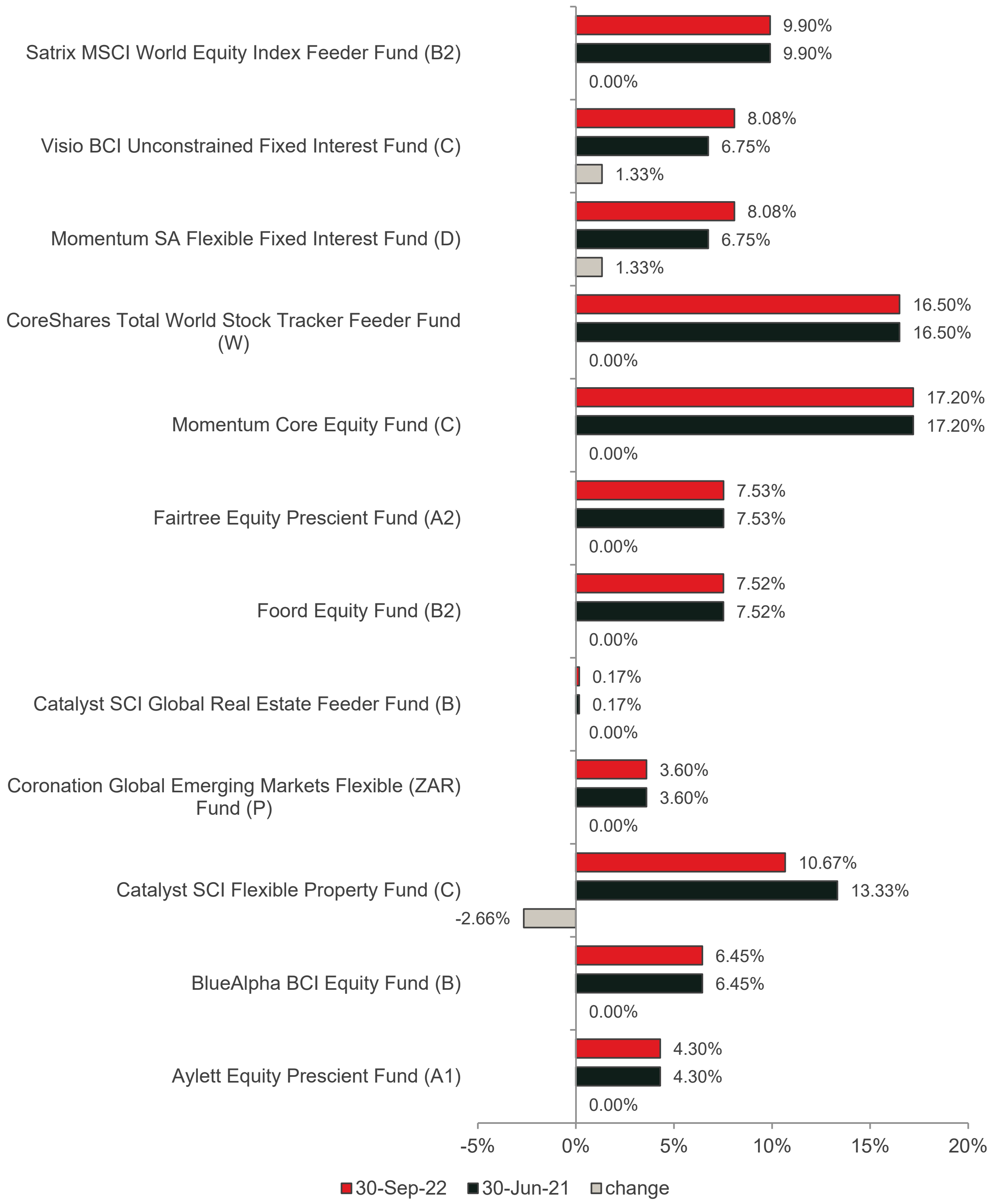
- Reduced local equities by 4.33%
- Increased global property by 2.33%
- Increased global cash by 2.00%

The effective changes to the manager allocations were as follows:

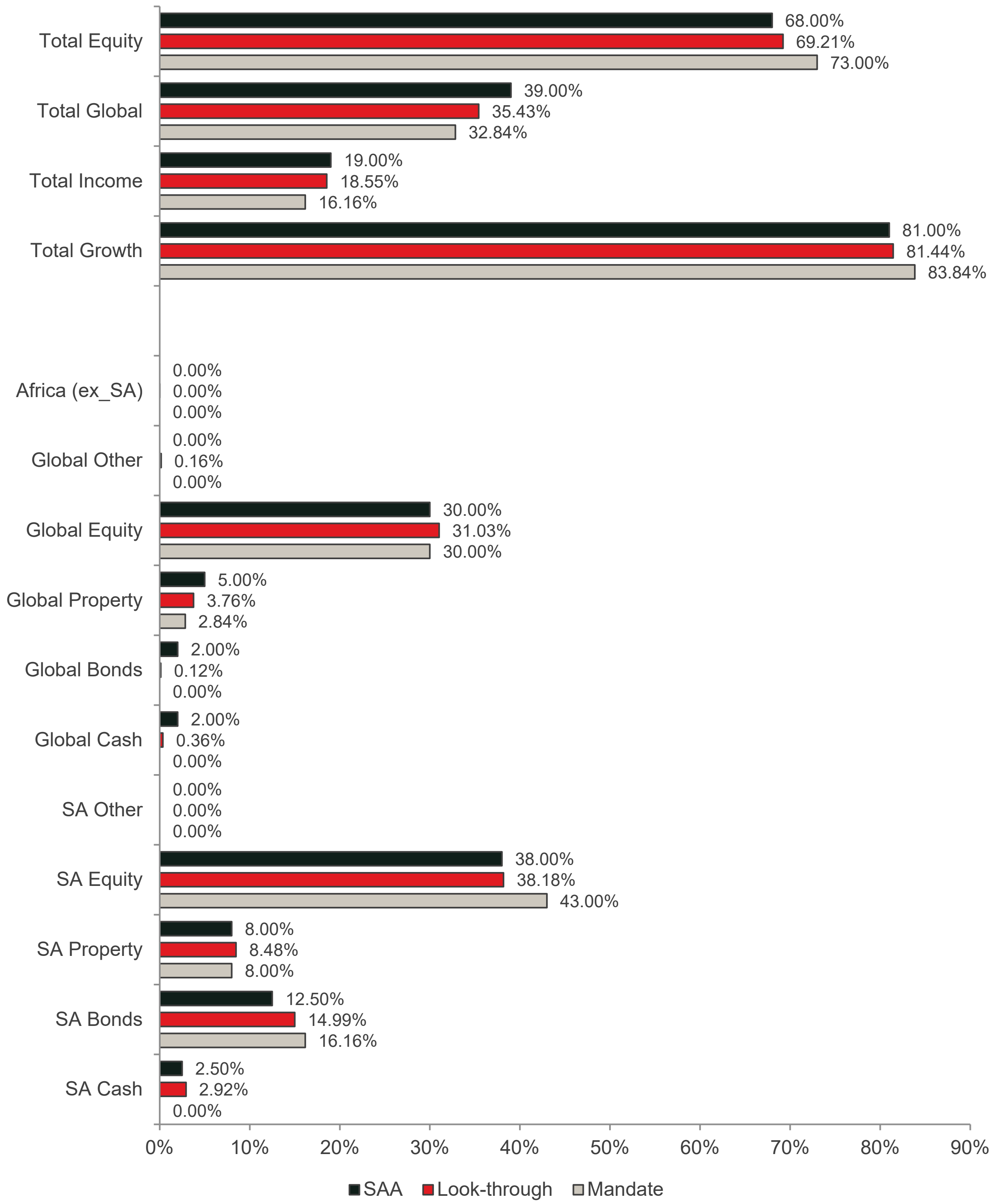
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.80%	**4.37%**	-0.43%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.74%	**7.74%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.36%	**3.36%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.90%	**12.90%**	0.00%
Fairtree Equity Prescient Fund (A2)	8.40%	**7.64%**	-0.76%
Foord Equity Fund (B2)	8.40%	**7.64%**	-0.76%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.66%	**8.66%**	0.00%
Momentum Core Equity Fund (C)	19.20%	**17.47%**	-1.73%
Momentum SA Flexible Fixed Interest Fund (D)	8.67%	**8.67%**	0.00%
BlueAlpha BCI Equity Fund (B)	7.20%	**6.55%**	-0.65%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.00%	**2.33%**	2.33%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.00%	**2.00%**	2.00%
Catalyst SCI Flexible Property Fund (C)	10.67%	**10.67%**	0.00%
	100.00%	100.00%	0.00%

4.8. Equilibrium Unconstrained Portfolio

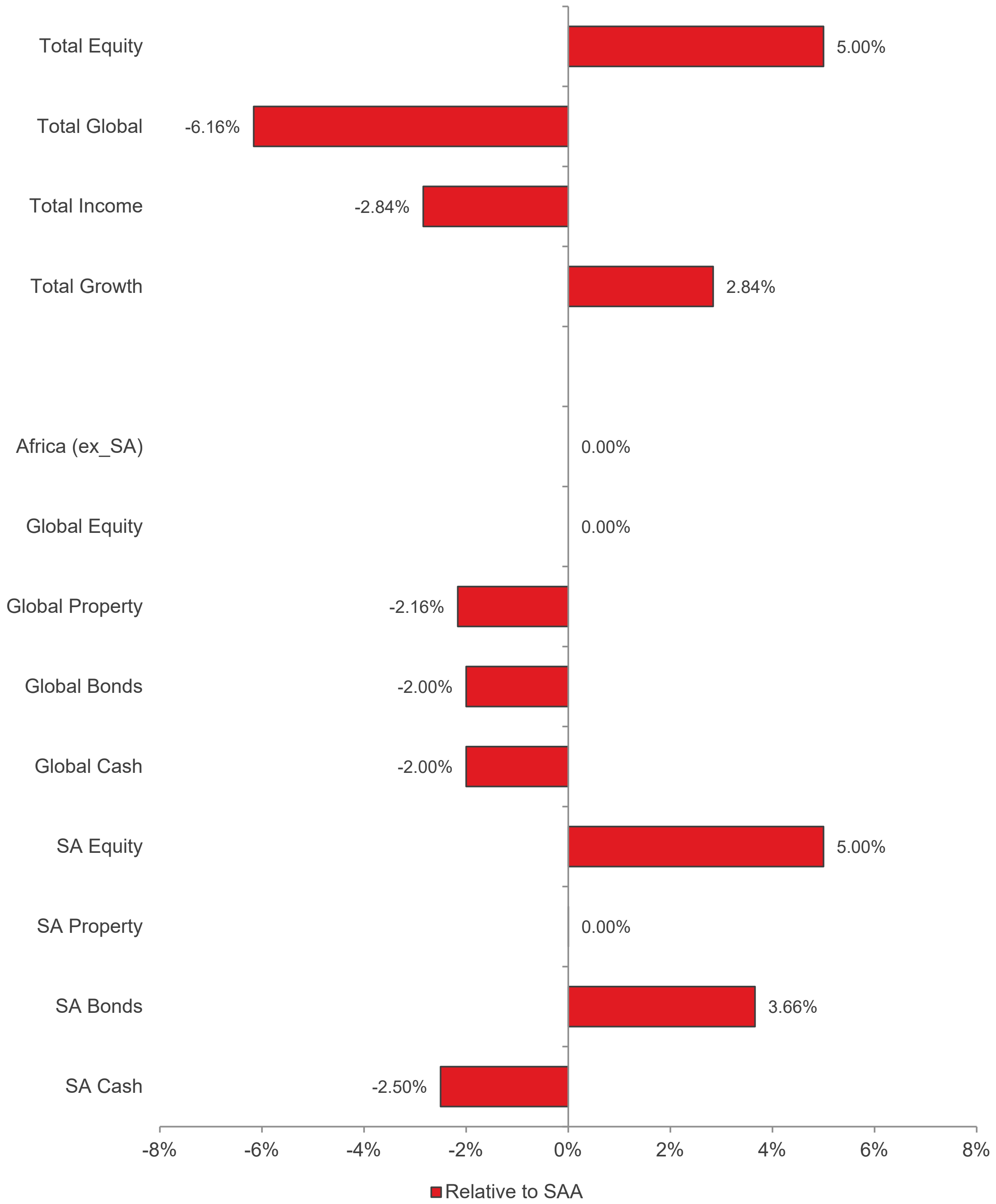
4.8.1. Building block allocation



4.8.2. Look-through asset allocation (as at 30 September 2022)



4.8.3. Look-through asset allocation: Relative to SAA



4.8.4. Portfolio changes

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

5. Appendices

5.1. Glossary

- **Asset allocation as at 30 September 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%.

5.2. 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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Sources: Momentum Investments and Morningstar.