Equilibrium

Quarterly Report

Q4 2022

This report is intended for the investment committee members only.

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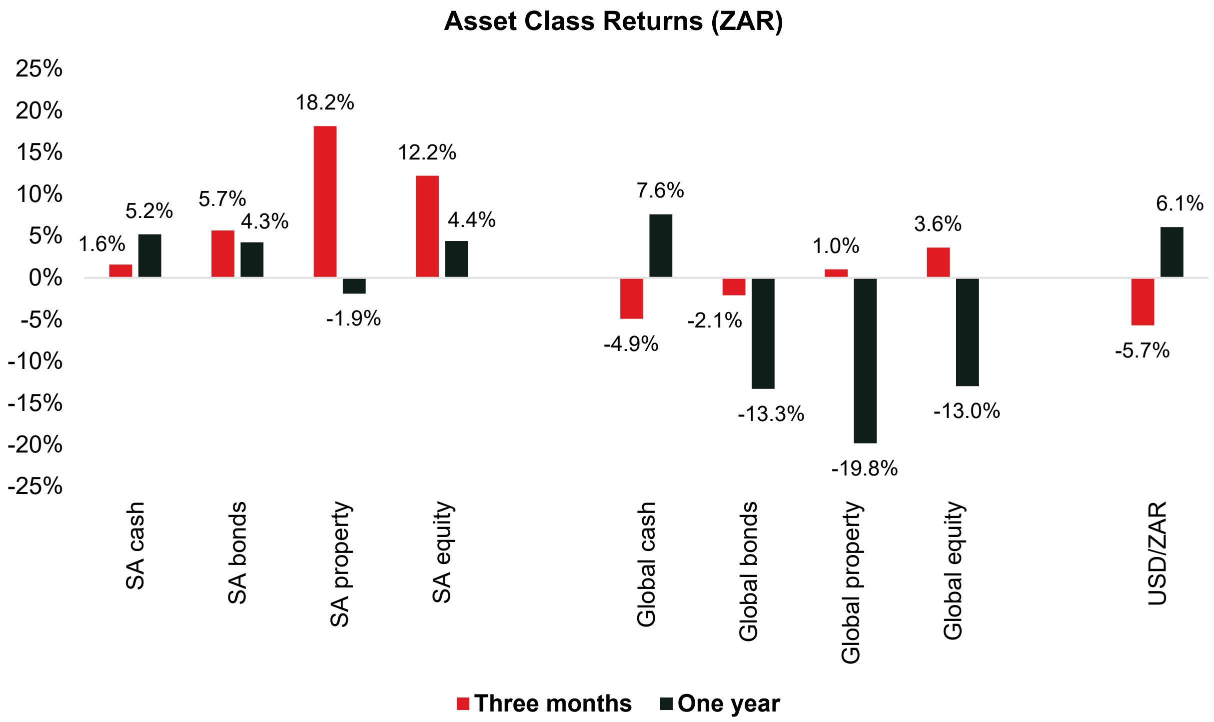
1. Performance overview

1.1. Quarterly market summary



Despite a strong end to the year, investment markets for 2022 will not be remembered with great fondness by global investors. Having to contend with record levels of inflation, which prompted an aggressive response from central banks, coupled with a plethora of uncertainty from geopolitical events (Russian-Ukrainian war, China's zero-COVID-19 policies and Sino-US tensions, to name a few), there was little place to hide as equity, property and bond markets sold off aggressively. To put the sell-off into context, one would have to go back 150 years to witness the same magnitude of negative returns from equities and bonds in the same calendar year. Local investors were also not spared a few headaches, having to contend with high inflation and the corresponding aggressive interest rate hikes from the SARB, as well as a few significant events that heightened volatility across investment markets (flooding in KZN, record-levels of loadshedding and the near-impeachment of President Cyril Ramaphosa following the Phala Phala scandal). However, our compelling valuations at the start of the year, a rally in commodity prices, which boosted equity markets (and our fiscus), and a mild weakening in the rand meant that local investors fared far better in 2022 than their global counterparts.

Over the quarter, global equities (MSCI ACWI) rallied 9.9% in USD terms, driven primarily by a downside surprise in US inflation, which buoyed market sentiment. This was however not enough to offset losses earlier in the year, with global equities ending 2022 18.4% weaker in USD terms. Developed (DM) and Emerging Market (EM) equities performed equally as poorly over the year. The MSCI World Index fell 17.8% in 2022 (9.9% for the quarter) in USD terms, while the MSCI EM Index fell 19.7% (9.8% for the quarter) in USD terms. Within the DM composite, US equities were hit the hardest, as mega-cap growth and technology shares bore the brunt of rising bond yields. Even though bonds usually act as a shock absorber in portfolios when equities plunge, the global bond market suffered a significant meltdown last year. More-aggressive-than-expected interest rate hikes and decades-high inflation pressured most bond asset classes, as we witnessed the yield on the US 10-year government bond rising by an additional 236 points in 2022, following an increase of nearly 60 points in 2021, while the German 10-year government bond yield increased by nearly 275 basis points last year and 314 basis points since the end of 2020. As a result, global bonds returned -18.3% for the year (3.8% for the quarter) in USD terms. Global property (FTSE EPRA/NAREIT) was the worst performing asset class, down 24.4% for the year (up 7.1% for the quarter) while global cash delivered some respite, ending the year up 1.5% (0.4% for the quarter) in USD terms.

For local investors, global returns for the year were somewhat cushioned as the rand depreciated by 6.1% against the US dollar, although a 5.7% strengthening over the quarter dampened the rally in global asset classes in Q4. The local equity market (Capped SWIX) outperformed its global counterparts and gained 4.4% in 2022 (12.2% for the quarter). Energy, tobacco, banks, metals/mining and food producers were the top performers last year, while pharmaceuticals, construction and telecommunications brought up the rear in the local equity market. Resources continued to drive returns in 2022, as FTSE/JSE SA Resources Index closed the year 8.6% in the black. The FTSE/JSE SA Financials Index jumped 6.9% in the same period, while returns on the FTSE/JSE SA Industrials Index disappointed at -3.7%.

In SA's fixed income markets, the 10-year government bond yield took its lead from global counterparts and sold off 119 basis points in 2022. However, compelling starting yields meant that the local bonds (ALBI) still delivered 4.3% for the year (5.7% for the quarter). The year was however wrought with volatility stemming from volatility in global bond markets and exacerbated by the significant local events mentioned earlier, along with foreign investors who continue to exit the market. Local property (ALPI) again lagged and ended the year in negative territory, down 1.9%, although the asset class was helped by a staggering 18.2% rally in the last quarter of the year. Finally, local cash (STeFI) returns were much improved from 2021 as the SARB raised rates a collective 3.25% throughout the year, resulting in the asset class ending the year as the best performing asset class (up 5.2%).

1.2. Manager returns and comments

Trailing returns as at 31 December 2022:

	3m	6m	9m	1y	3y (ann.)	5y (ann.)	7y (ann.)
Momentum Enhanced Yield D	2.29%	3.32%	4.76%	6.18%	5.89%	-	-
MI-PLAN IP Enhanced Income B1	3.16%	4.60%	5.82%	7.44%	8.06%	9.13%	-
Prescient Income Provider A2	3.10%	4.52%	5.04%	6.13%	6.16%	7.11%	7.60%
Stefi	**1.58%**	**2.95%**	**4.14%**	**5.21%**	**4.80%**	**5.78%**	**6.26%**
(ASISA) South African MA Income	*2.89%*	*4.10%*	*4.36%*	*5.45%*	*6.04%*	*6.76%*	*7.12%*
Momentum SA Flexible Fixed Interest D	6.15%	6.56%	1.04%	3.20%	5.70%	-	-
Visio BCI Unconstrained Fixed Intst C	3.97%	5.61%	5.23%	6.30%	8.40%	8.32%	-
ALBI	**5.68%**	**6.31%**	**2.36%**	**4.26%**	**7.09%**	**7.85%**	**9.24%**
Aylett Equity Prescient A1	11.42%	13.05%	-1.02%	5.72%	15.71%	10.70%	11.65%
BlueAlpha BCI Equity B	6.50%	5.51%	-6.93%	-7.91%	-	-	-
Fairtree Equity Prescient A2	16.80%	14.50%	6.42%	14.46%	18.79%	14.00%	14.27%
Foord Equity B2	10.76%	9.42%	4.23%	6.40%	9.94%	4.26%	4.15%
Momentum Core Equity C	12.65%	10.40%	-2.56%	5.28%	10.83%	6.37%	-
FTSE/JSE Capped SWIX TR	**12.22%**	**9.50%**	**-2.16%**	**4.41%**	**10.09%**	**4.88%**	**6.50%**
(ASISA) South African EQ General	*10.60%*	*8.90%*	*-1.00%*	*3.13%*	*10.03%*	*5.53%*	*6.19%*
Catalyst SCI Flexible Property C	13.69%	8.72%	-1.95%	-6.92%	-0.48%	-	-
Flexible Property Composite	**14.55%**	**10.71%**	**-0.83%**	**-4.78%**	**-0.52%**	**-2.18%**	**0.82%**
Catalyst SCI Global Real Estate FF B	1.88%	-3.59%	-10.92%	-22.20%	3.07%	7.53%	3.28%
FTSE EPRA/NAREIT TR ZAR	**1.01%**	**-1.82%**	**-8.96%**	**-19.82%**	**2.24%**	**7.34%**	**4.20%**
(ASISA) Global RE General	*1.07%*	*-4.15%*	*-11.83%*	*-22.32%*	*1.51%*	*5.52%*	*1.92%*
Coronation Global Em Mkts Flex [ZAR] P	9.17%	12.39%	7.48%	-24.04%	-3.41%	0.67%	4.14%
CoreShares Total Wld Stck Trckr Fdr W	3.94%	5.16%	-0.33%	-13.92%	10.19%	-	-
Satrix MSCI World Equity Index FF B2	2.82%	5.55%	-1.12%	-12.84%	11.52%	12.48%	9.35%
MSCI AC World TR ZAR	**3.62%**	**6.04%**	**0.35%**	**-12.98%**	**11.35%**	**12.73%**	**10.17%**
MSCI World TR ZAR	**3.63%**	**6.76%**	**0.41%**	**-12.74%**	**12.37%**	**13.72%**	**10.61%**
MSCI EM ZAR	**3.54%**	**0.61%**	**-0.06%**	**-14.86%**	**4.07%**	**5.50%**	**7.02%**
(ASISA) Global EQ General	*3.51%*	*4.79%*	*-0.20%*	*-14.21%*	*8.28%*	*9.34%*	*6.83%*
1nvest Global Govt Bond Index FF B1	-2.79%	0.21%	2.04%	-12.39%	0.21%	-	-
Citigroup WGBI	**-2.09%**	**-0.78%**	**1.27%**	**-13.30%**	**0.44%**	**3.89%**	**0.80%**
FTSE G7 Bond Index	**-2.51%**	**-0.97%**	**1.63%**	**-12.98%**	**0.60%**	**4.08%**	**0.79%**
Coronation Glbl Strat USD Inc [ZAR]FF P	-3.53%	5.23%	16.47%	5.36%	7.41%	8.11%	2.90%
ICE BofA US 3m Cash Benchmark	**-4.90%**	**4.80%**	**17.53%**	**7.62%**	**7.35%**	**8.07%**	**2.68%**
(ASISA) Global MA Income	*-0.25%*	*5.15%*	*11.65%*	*0.68%*	*6.03%*	*6.62%*	*2.21%*

**The US LIBOR benchmark has been replaced by the ICE BoAML 3-month US Treasury Bill Index G0O1 effective 1 December 2021. The ICE US Transition Benchmark includes the US LIBOR till 30 November 2021 and the ICE BoAML 3-month US Treasury Bill Index G0O1 thereafter.*

Income

Momentum Enhanced Yield outperformed the STeFI composite benchmark by 0.7% and 1.0% over the quarter and year respectively. The fund's strong performance over the year was supported by good quality credit as well as rotating between floating and fixed-rate notes. Over the last quarter, the fund benefited greatly from its floating-rate note exposure on the back of contracting credit spreads. Even though not all the floating-rate notes have reset after the repo rate increases during the latter months of last year, it is expected that going forward the yield on this fund will be further enhanced as those notes reset at higher rates.

MI-PLAN IP Enhanced Income outperformed the STeFI composite index by 1.6% and 2.2% over the quarter and year respectively. Over the last quarter the fund also benefited from the rally in local bonds given its relative aggressive effective duration of 1.19 years as at the end of November 2022.

Prescient Income Provider outperformed the STeFI composite index by 1.5% and 0.9% over the quarter and year respectively. During the year the fund experienced some volatility due to its marginal local property exposure. However, in Q4, property staged a strong recovery that supported the fund's performance. Fixed-rate notes were also a positive contributor over the last quarter as bond yields contracted.

Local Bonds

Momentum SA Flexible Fixed Interest outperformed the ALBI by 0.5% over the quarter, while underperforming by 1.1% over the year. The effective duration of both underlying managers, Prescient and Coronation, were more aggressive than the ALBI and this was the main driver of underperformance for most of 2022. The fund's marginal exposure to local property also detracted over the year. The contraction of bond yields in Q4 and the recovery in the property sector supported the fund's performance relative to the ALBI.

Visio BCI Unconstrained Fixed Interest underperformed the ALBI by 1.7% over the last quarter, while outperforming by 2.0% over the year. The fund was largely immunised against the volatility in the bond market due to its much more conservative approach. Unfortunately, the same conservative positioning caused the fund to not fully benefit from the contraction in bond yields over the last quarter. Over the quarter, the performance was further impacted by its marginal offshore exposure given the strengthening of the rand.

Local Equity

Aylett Equity BCI underperformed the Capped SWIX by 0.8% over the quarter, while outperforming by 1.3% over the year. The fund benefited handsomely from the continued run in value shares in the SA equity market. This trend continued into Q4, however the fund's offshore exposure detracted from performance in the last quarter due to the strengthening of the rand. From a stock selection the fund's zero exposure to Naspers and Prosus were the biggest detractors from relative performance.

BlueAlpha BCI Equity underperformed the Capped SWIX by 5.7% and 12.3% over the quarter and year respectively. The gains made by the fund against the benchmark were led by overweight positions in Richemont, Glencore and Capitec, while the most notable of the fund's detracting positions were underweight positions in Naspers and Prosus. Even though the shares in the fund's offshore component did well in their respective currencies, the strengthening rand over the last quarter was a major detractor from the fund's performance.

Fairtree Equity Prescient outperformed the Capped SWIX by 4.6% and 10.1% over the quarter and year respectively. The resource sector was the key performance contributor during Q4. From a stock selection perspective, the fund's performance was positively impacted by positions in Naspers, Prosus, Impala, Anglo Gold Ashanti and Northam, while positions in Sasol, Mr Price, Foschini, Thungela and Sanlam detracted from performance.

Foord Equity underperformed the Capped SWIX by 1.5% over the quarter, while outperforming by 2.0% over the year. Over the year, the fund's healthy exposure to financials like banks supported its outperformance. Over Q4, the largest detractor from the fund's performance was its underweight position in resources.

Momentum Core Equity outperformed the Capped SWIX by 0.4% and 0.9% over the quarter and year respectively. Over the quarter all three sleeves (value, quality and momentum styles) contributed to the fund's relative outperformance. Over the year, both the quality and momentum styles detracted from performance, with momentum being the biggest detractor. Value's significant outperformance was the only driver of the fund's outperformance. On a look-through basis, industry selection detracted from performance whilst style exposure and share selection were the biggest contributors to relative performance over the quarter.

Flexible Property
Catalyst SCI Flexible Property underperformed its composite index (75% local property/ 25% global property) by 0.9% and 2.1% over the quarter and the year respectively. Over the quarter the fund's tactical underweight position in SA property and overweight position in global property contributed negatively. The main contributors to performance from a stock selection perspective were the fund's overweight positions in Nepi Rockcastle and Octodec as well as its underweight positions in Investec Property Fund, Public Storage and Prologis. The main detractors to performance were the fund's overweight positions in Life Storage, Invitation Homes, Avalonbay and Rexford as well as an underweight position in Sirius, which underperformed the benchmark.

Global Property
Catalyst SCI Global Real Estate outperformed the FTSE EPRA/NAREIT by 0.9% and 2.4% over the quarter and year respectively. The fund's overweight positions in Simon Property, Big Yellow Group and Brixmor Property Group, while overweight positions in Invitation Homes, Life Storage and Equity Residential were the main detractors. From a sectoral perspective, overweight positions in Great British Storage, North American Malls and Asia Manufacturing Housing as well as underweight positions in North American Office, North American Health Care and Asia Strip Retail were the main contributors. Similarly, the main detractors were overweight positions in North American Single Family Housing, North American Apartments and North American Storage as well as underweight positions in European Office, Asia Malls and North American Net Lease.

Global Equity
Coronation Global Emerging Markets Flexible outperformed the MSCI ACWI by 5.6% over the quarter, while underperforming by 11.1% over the year. Relative to its own benchmark, the MSCI Emerging Markets index, the fund outperformed by 5.6% over the quarter while underperforming by 9.2% over the year. Emerging Markets (EM) marginally outperformed Developed Markets (DM) over the quarter but lagged by 2.1% over the year. The EM sector was heavily impacted by the Russia/Ukraine conflict in Q1 2022, with the fund being impacted more severely due to its overweight allocation in Russia before the conflict. From a stock selection perspective, the largest contributors to the fund's relative performance in the quarter were Tencent Music Entertainment (TME) and Naspers/Prosus. Other material positive contributors to relative performance were AngloGold, XIabuxiabu, Airbus, and Delivery Hero. Both from a geographical and share selection perspective, Brazil and Brazilian shares were the biggest detractor of performance over the quarter.

Global Cash
Coronation Global Strategic USD Income (ZAR) outperformed the ICE BofA US 3m Cash Benchmark by 1.4% over the quarter while underperforming by 2.3% over the year. Over the quarter the fund's relative outperformance was mainly driven by contracting credit spreads on the back of waning inflation fears and the reduced expectation that the US Fed will continue to aggressively raise interest rates. Over the year, the fund's performance was mainly negatively impacted by holding some duration, even though very conservatively, and expanding credit spreads.

2. Portfolio performance

2.1. Equilibrium Income Portfolio

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

2.1.1. Returns

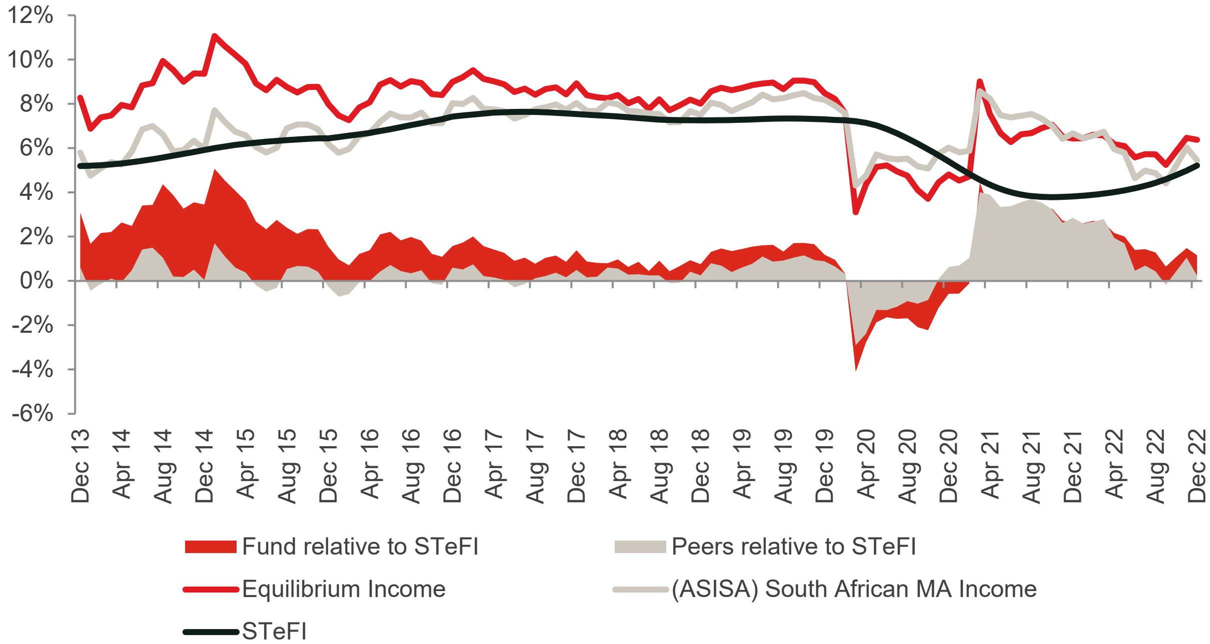
Figure 1.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Income	2.9%	4.2%	6.4%	5.9%	6.8%	7.4%	7.0%	66
Benchmark: STeFI	1.6%	3.0%	5.2%	4.8%	5.8%	6.3%	5.9%	
(ASISA) South African MA Income	*2.9%*	*4.1%*	*5.4%*	*6.0%*	*6.8%*	*7.1%*	*6.9%*	

**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 outperformed its STeFI benchmark over all periods, net of all investment related fees. The portfolio performed in line with, or outperformed, the peer group over all periods except for the 3-year period.

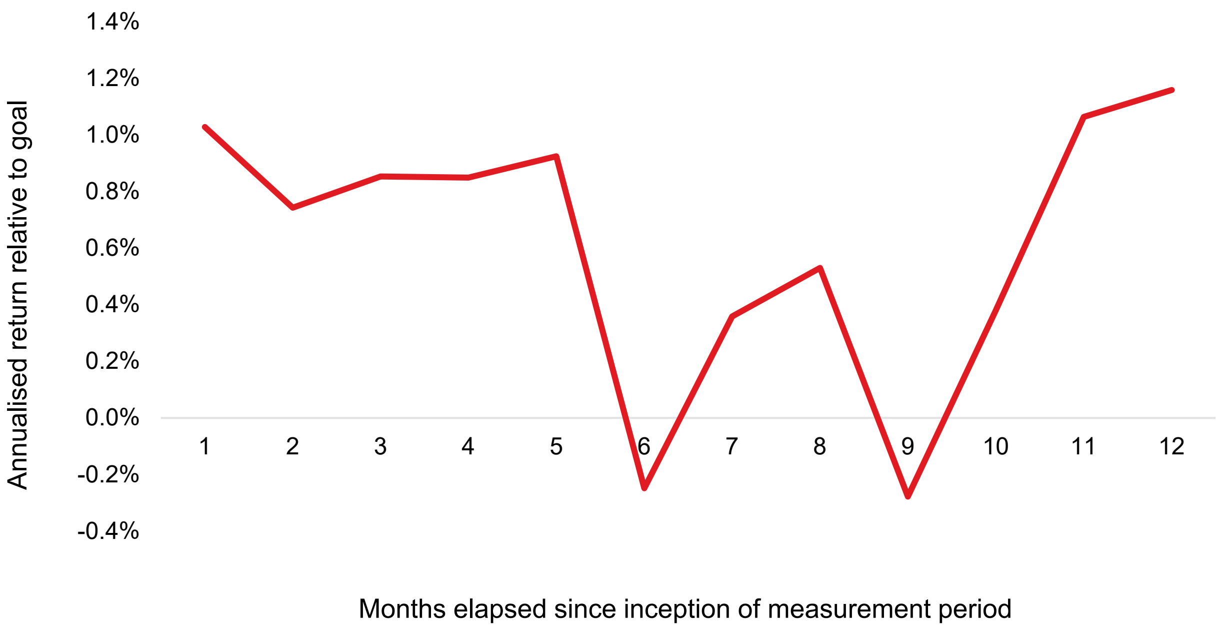
Figure 1.2: Rolling 1-year returns: 10 years to 31 December 2022 *



	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.

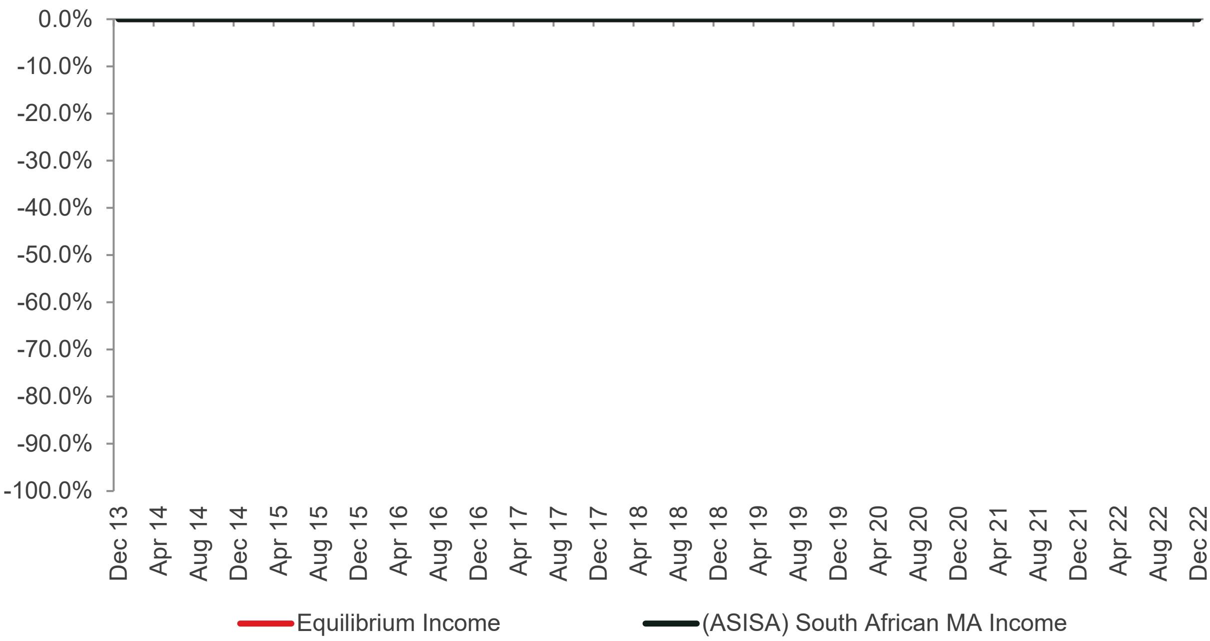
Figure 1.3: Portfolio performance relative to goal*



- Even though interest rates rose sharply in 2022, which supported the absolute returns from cash, it caused some volatility in some interest rate sensitive asset classes like credit and local property. The portfolio managed to outperform the STeFI benchmark at the end of the measurement period.

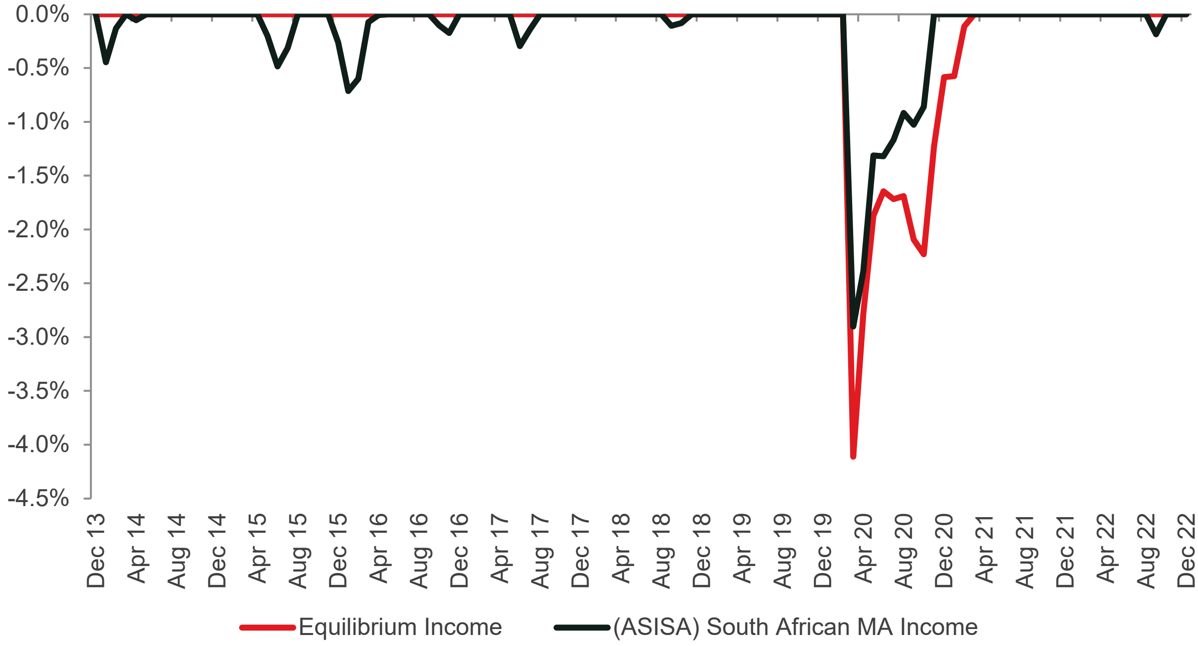
2.1.2. Risk

Figure 1.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 2022*



- Over the total period to 31 December 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

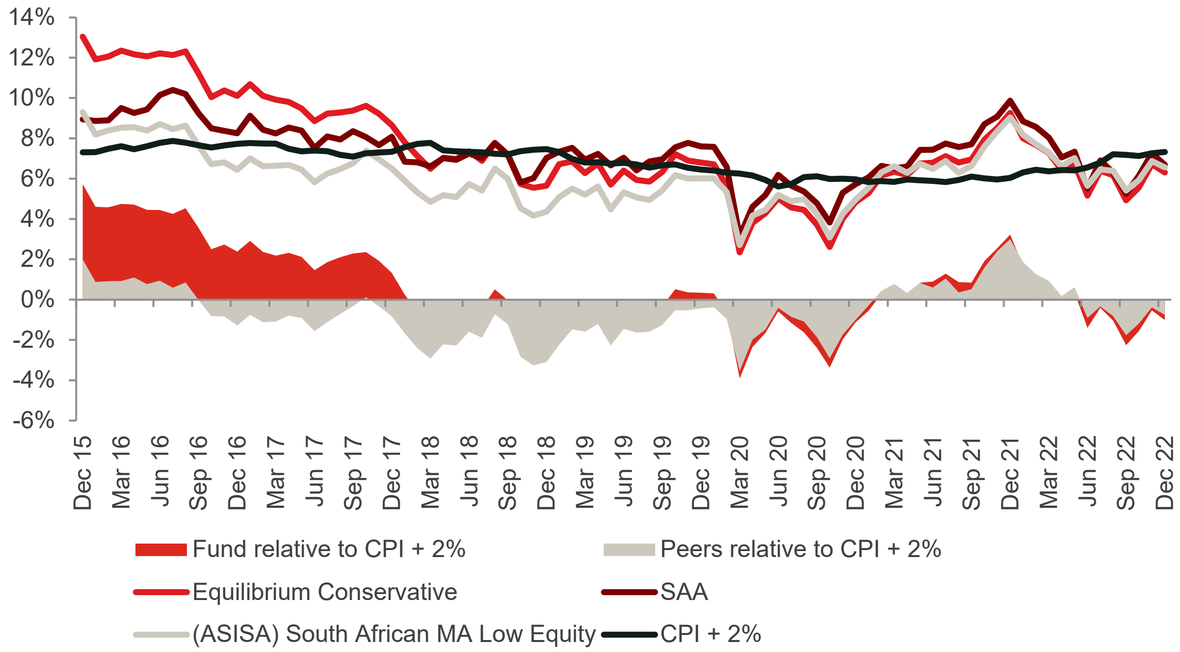
Figure 2.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Conservative	**5.6%**	**6.0%**	**0.6%**	**6.3%**	**6.0%**	**6.4%**	**6.5%**	**66**
Benchmark: CPI + 2%	1.2%	4.6%	9.4%	7.3%	6.9%	7.1%	6.8%	
SAA	5.6%	5.9%	0.4%	6.7%	6.4%	7.3%	7.1%	
(ASISA) South African MA Low Equity	*4.8%*	*5.4%*	*1.4%*	*6.6%*	*5.9%*	*5.9%*	*6.3%*	

**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 1.0% p.a. over the 3-year period to 31 December 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.

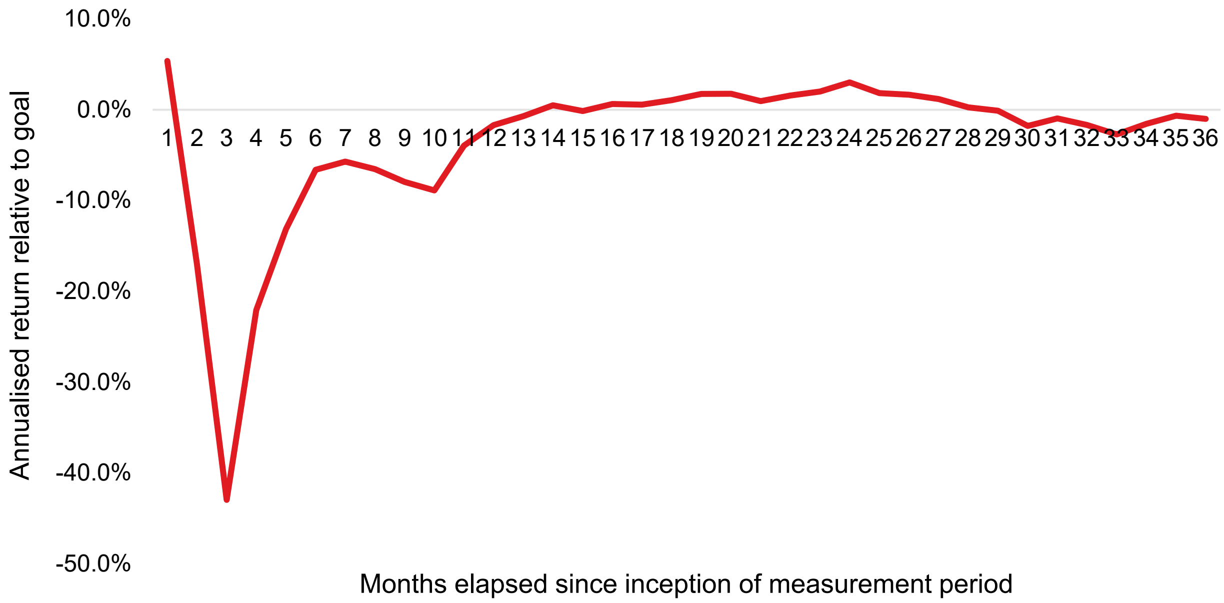
Figure 2.2: Rolling 3-year returns ann.: 10 years to 31 December 2022 *



	Equilibrium Conservative	(ASISA) South African MA Low Equity
Number of observations	85	
Period outperforming	47	26
Realised probability of outperforming	**55%**	31%
Max outperformance p.a.	**5.7%**	3.0%
Max underperformance p.a.	**-3.9%**	-3.5%

- Over the last 10 years, the portfolio outperformed its benchmark on 55% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 31% of the rolling 3-year periods.

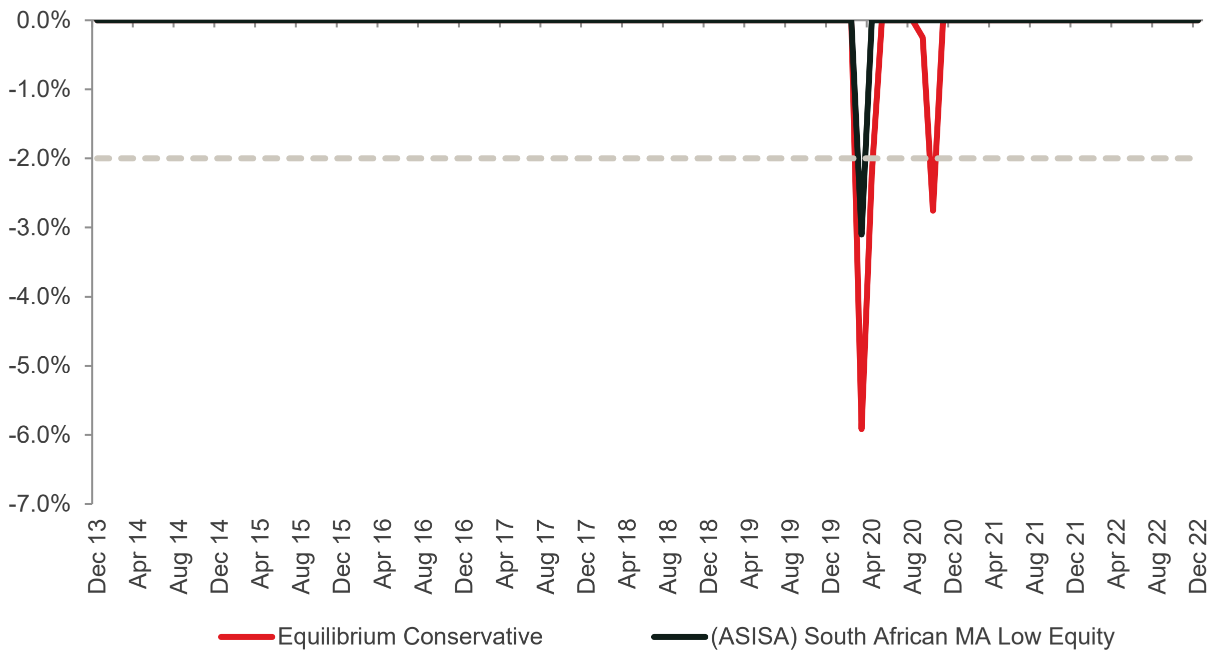
Figure 2.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 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 after the COVID-19 crises. Unfortunately, the sell-off in most global and local asset classes from the beginning of 2022 to September 2022 caused the portfolio to underperform its benchmark over the measurement period. Good returns from most asset classes in Q4 2022 reduced the portfolio's underperformance.

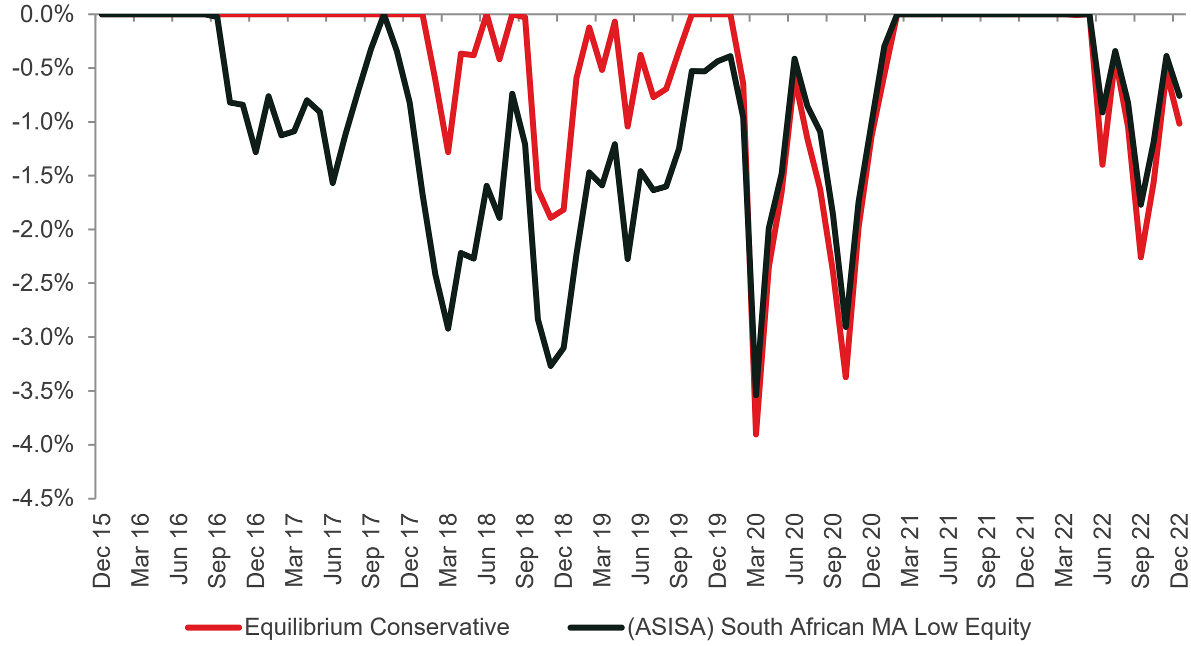
2.2.2. Risk

Figure 2.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 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 31 December 2022

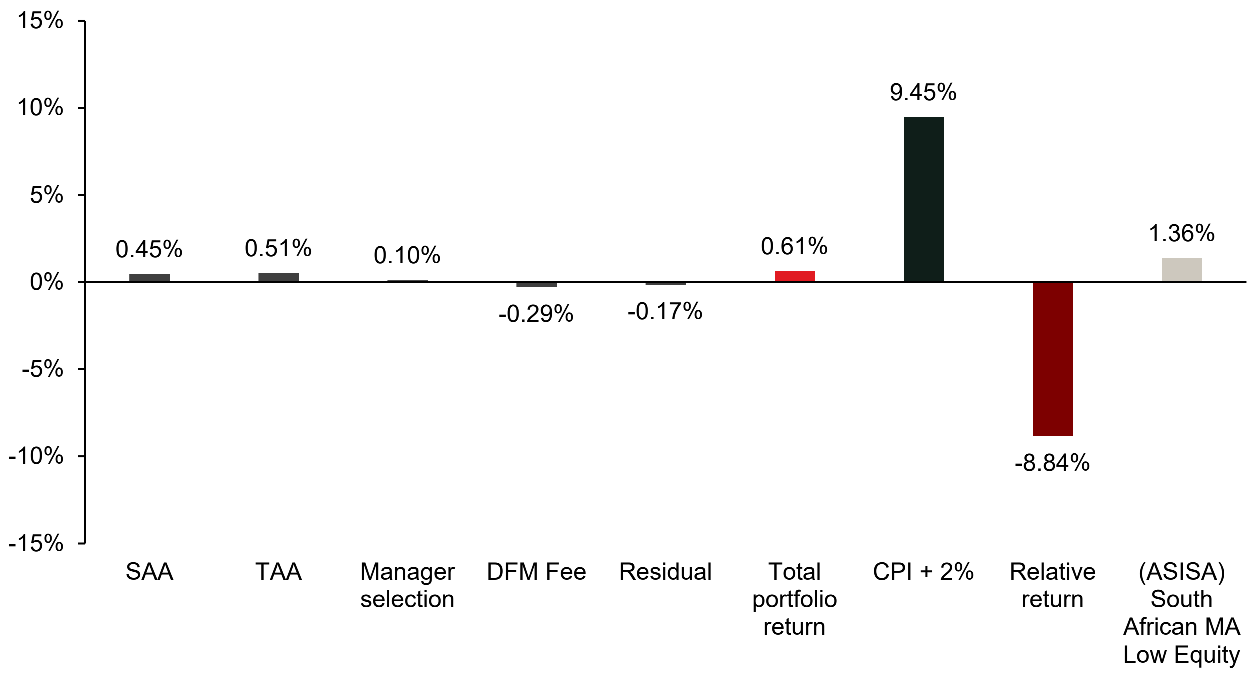


Figure 2.7: Strategic asset allocation effects: 12 months to 31 December 2022

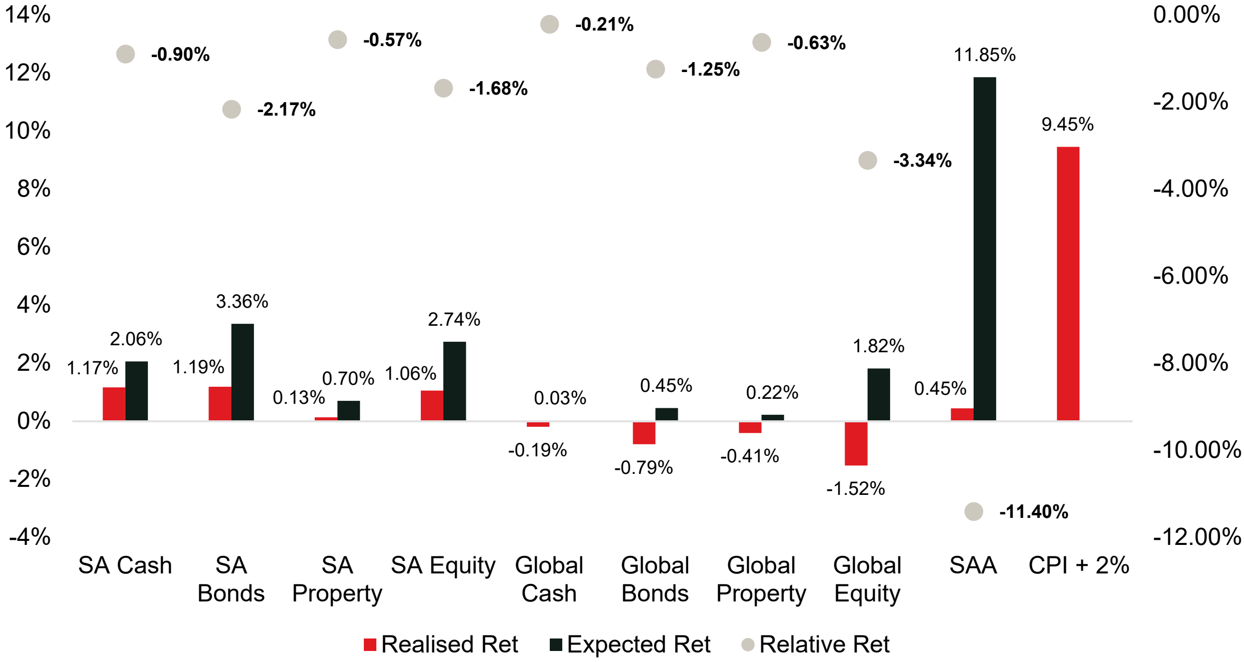


Figure 2.8: Tactical asset allocation effects: 12 months to 31 December 2022

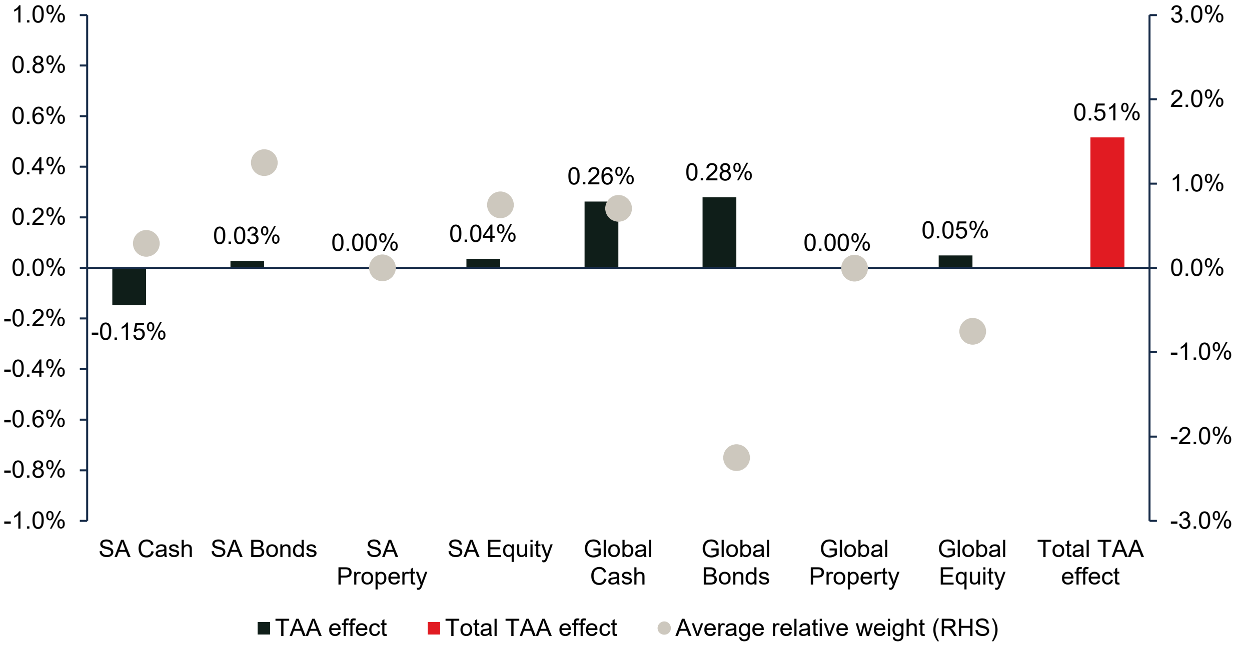


Figure 2.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

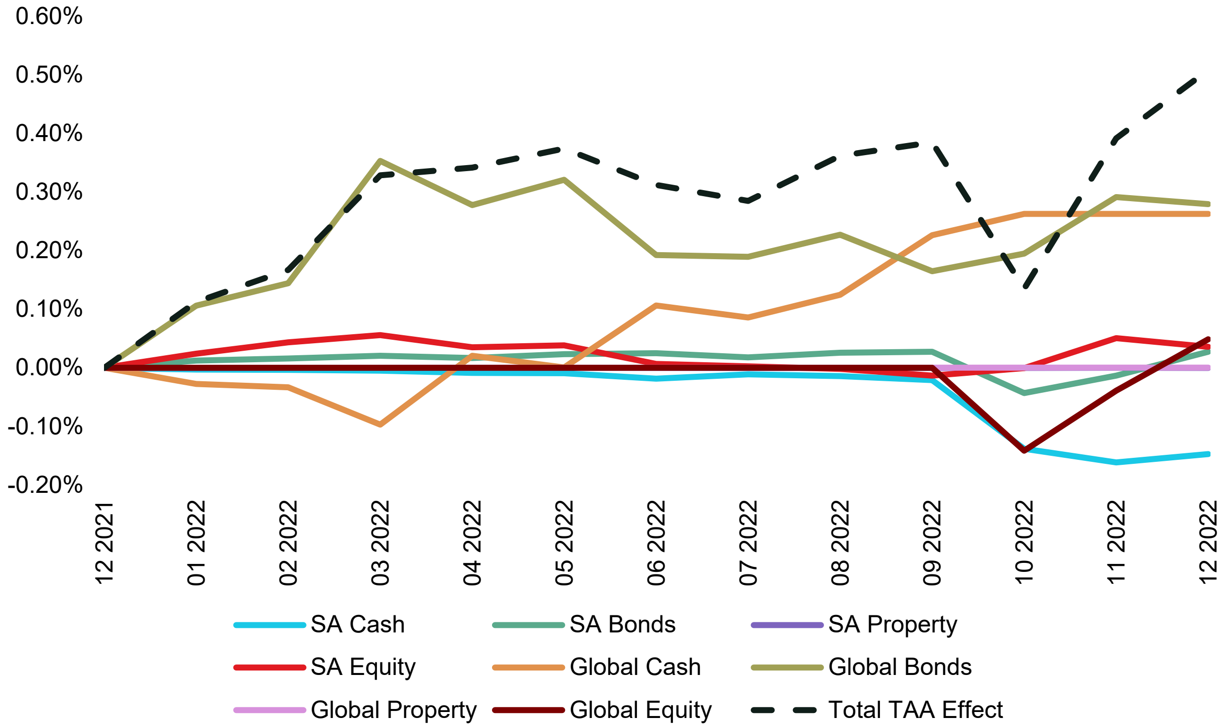


Figure 2.10: Manager selection effects: 12 months to 31 December 2022

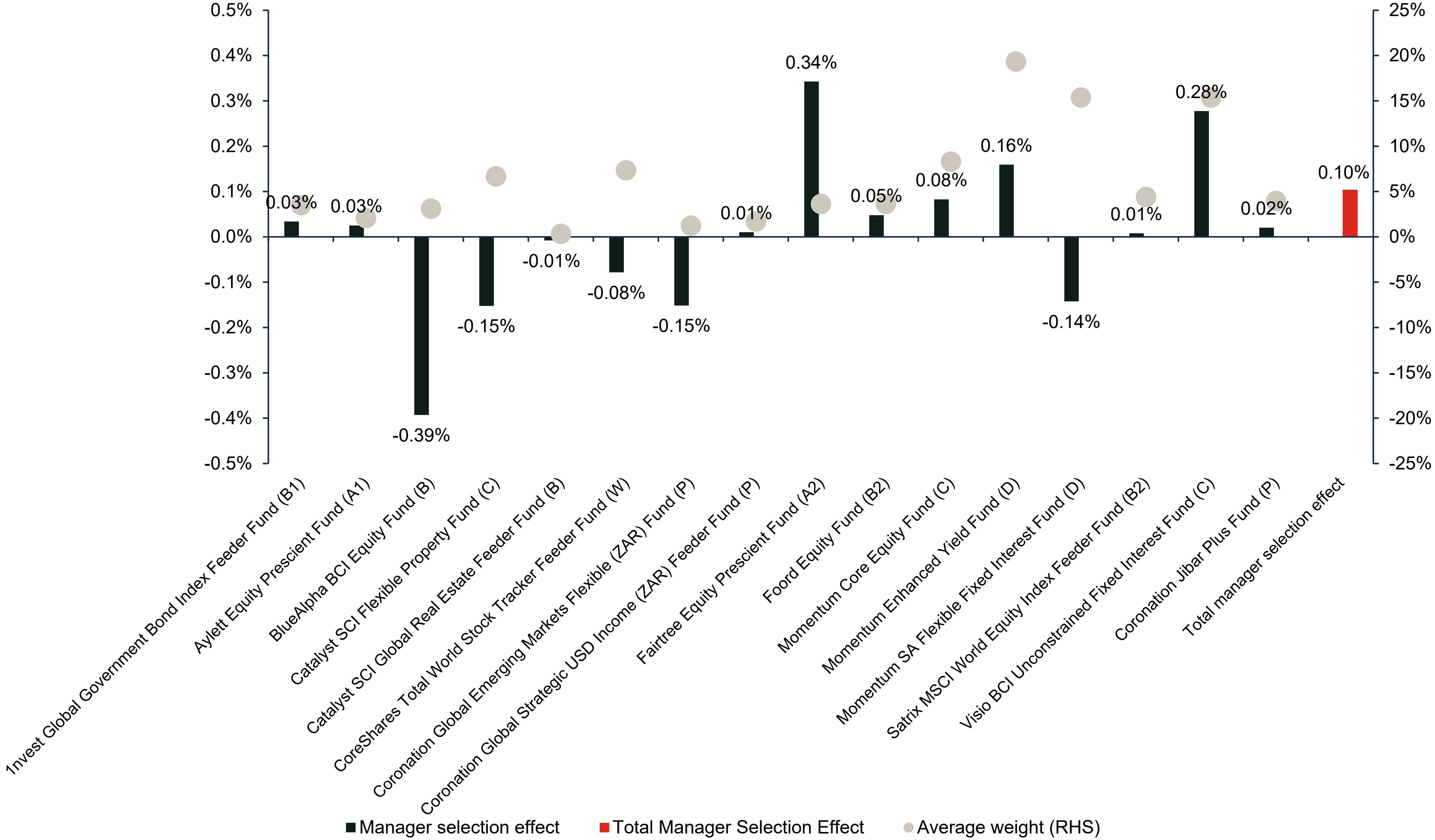
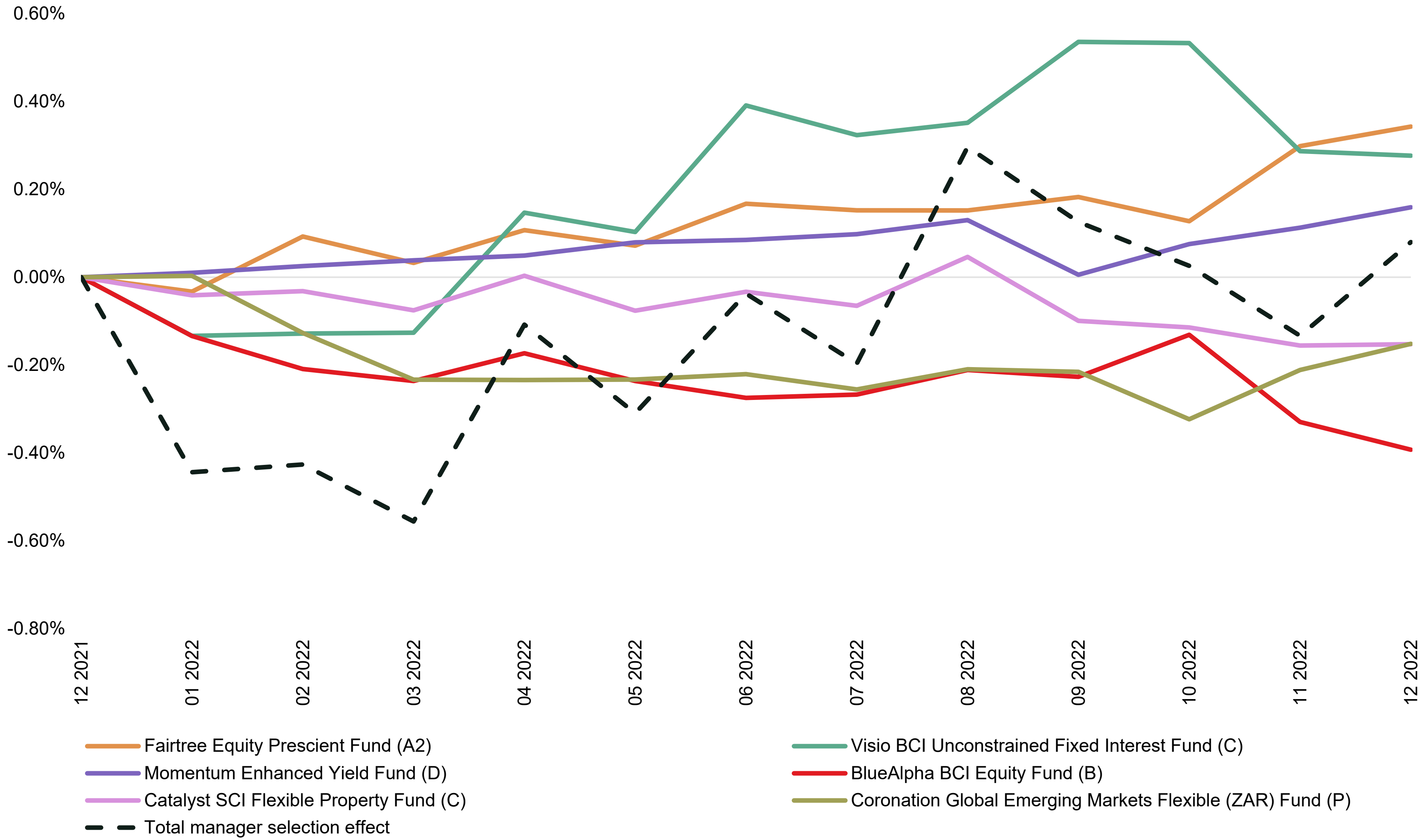


Figure 2.11: Cumulative manager selection effects: 12 months to 31 December 2022



2.3. Equilibrium Stable Portfolio

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

2.3.1. Returns

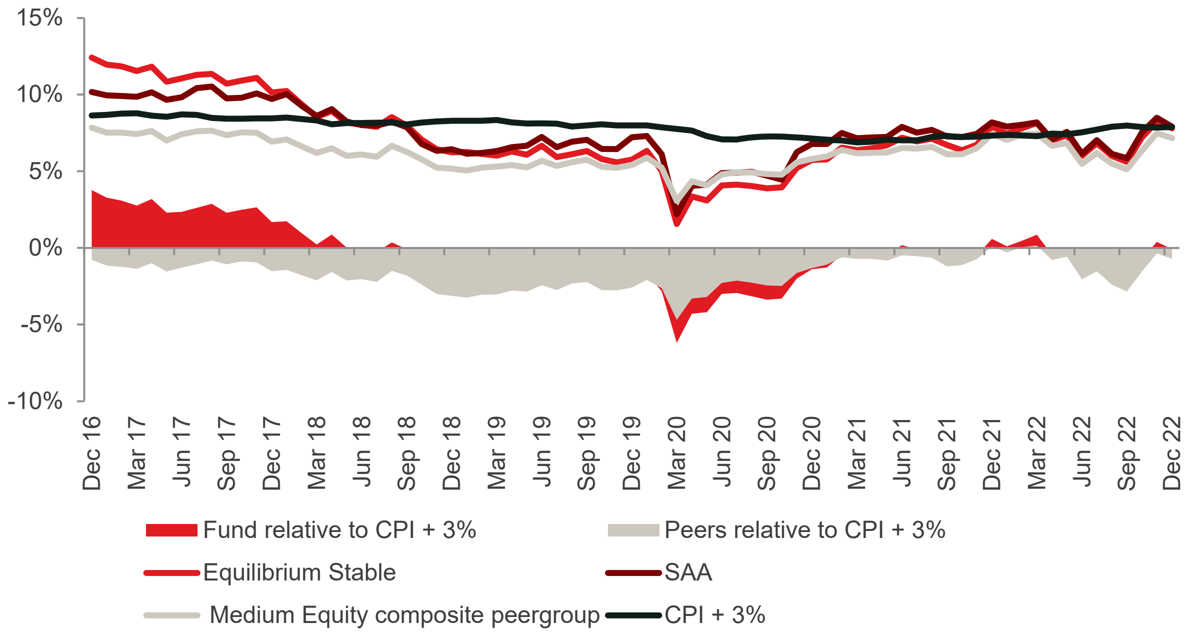
Figure 3.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Stable	6.4%	6.6%	-0.7%	8.6%	7.8%	6.7%	6.8%	66
Benchmark: CPI + 3%	1.5%	5.0%	10.4%	9.4%	7.9%	7.9%	7.8%	
SAA	6.4%	6.4%	-0.9%	8.5%	7.9%	7.3%	7.3%	
Medium Equity composite peer group	6.0%	6.3%	0.3%	7.5%	7.2%	6.4%	6.4%	

**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 0.1% p.a. over the 4-year period to 31 December 2022. It outperformed 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.

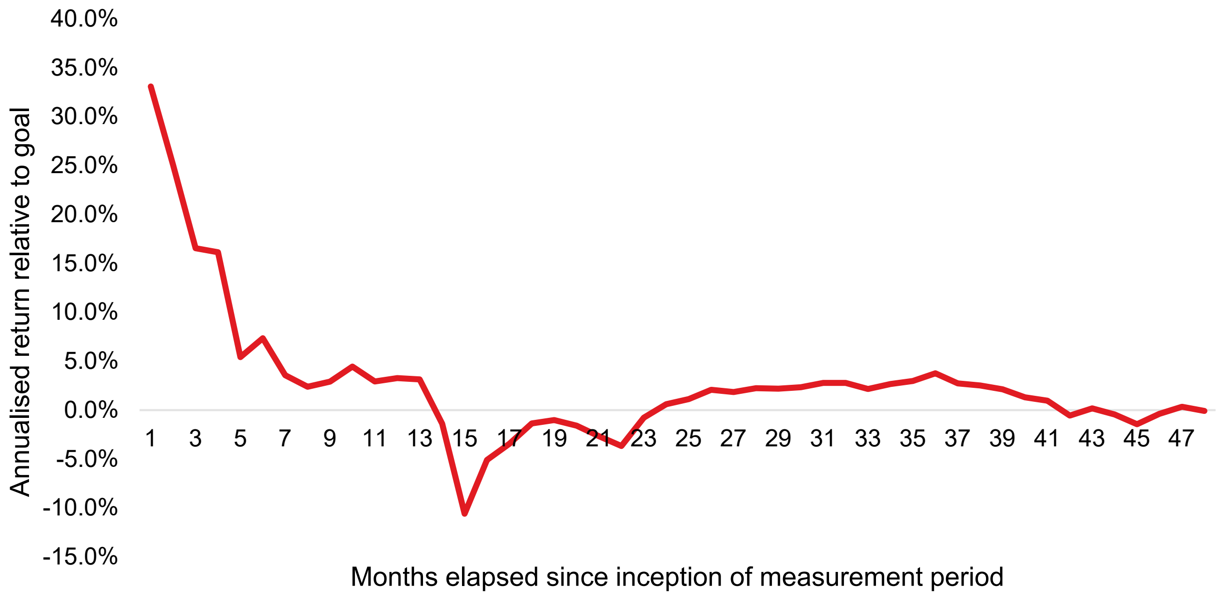
Figure 3.2: Rolling 4-year returns ann.: 10 years to 31 December 2022 *



	Equilibrium Stable	Medium Equity composite peer group
Number of observations	73	
Period outperforming	25	3
Realised probability of outperforming	34%	4%
Max outperformance p.a.	3.8%	0.2%
Max underperformance p.a.	-6.2%	-4.7%

- Over the last 10 years, the portfolio outperformed its benchmark on 34% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 4% of the rolling 4-year periods.

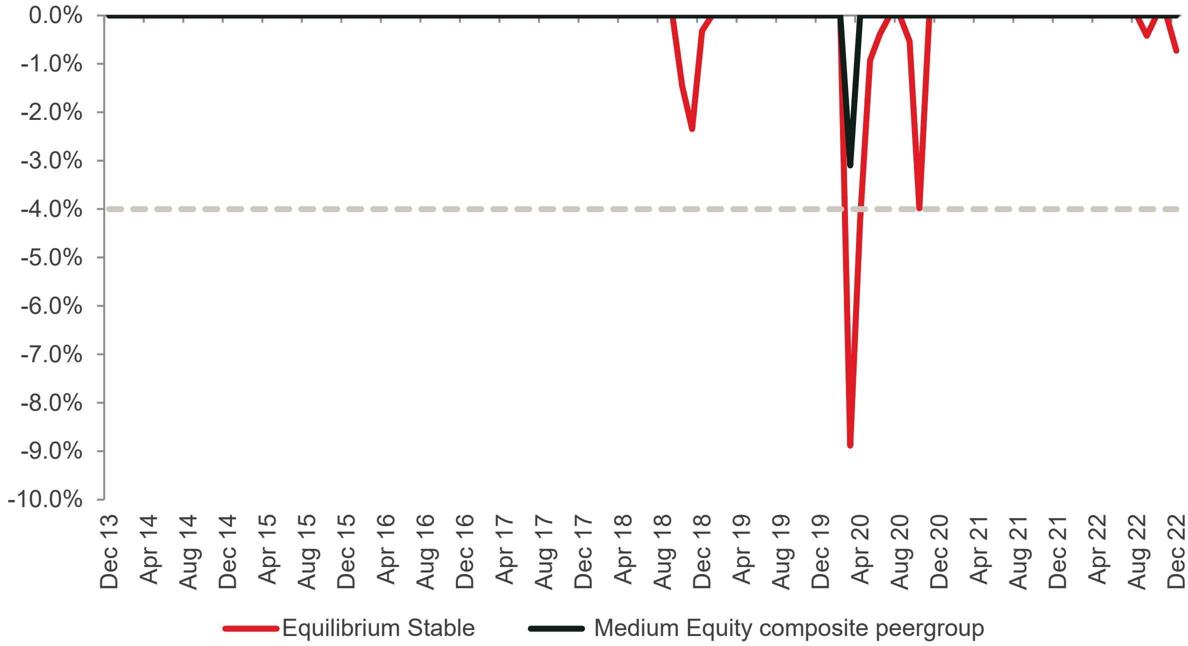
Figure 3.3: Portfolio performance relative to goal*



- Even though the portfolio was on track to meet its benchmark post the COVID-19 crises, unfortunately, the sell-off in most global and local asset classes from the beginning of 2022 to September 2022 caused the portfolio to underperform its benchmark over the measurement period. Good returns from most asset classes in Q4 2022 reduced the portfolio's underperformance with the portfolio ending the period only marginally behind its benchmark.

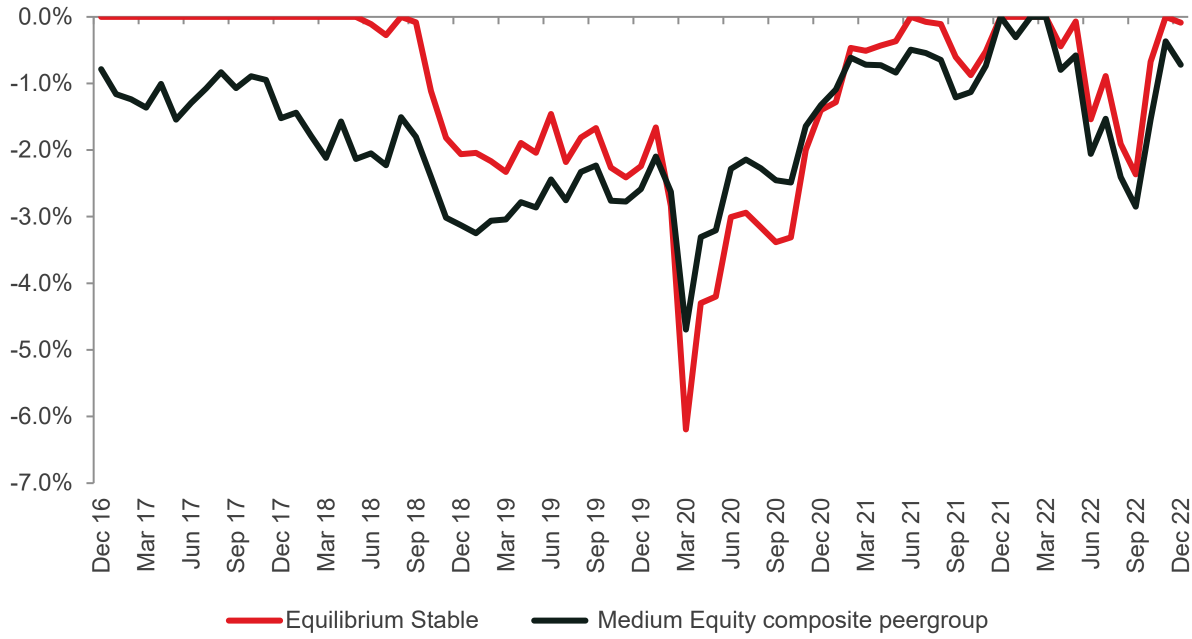
2.3.2. Risk

Figure 3.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 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 31 December 2022

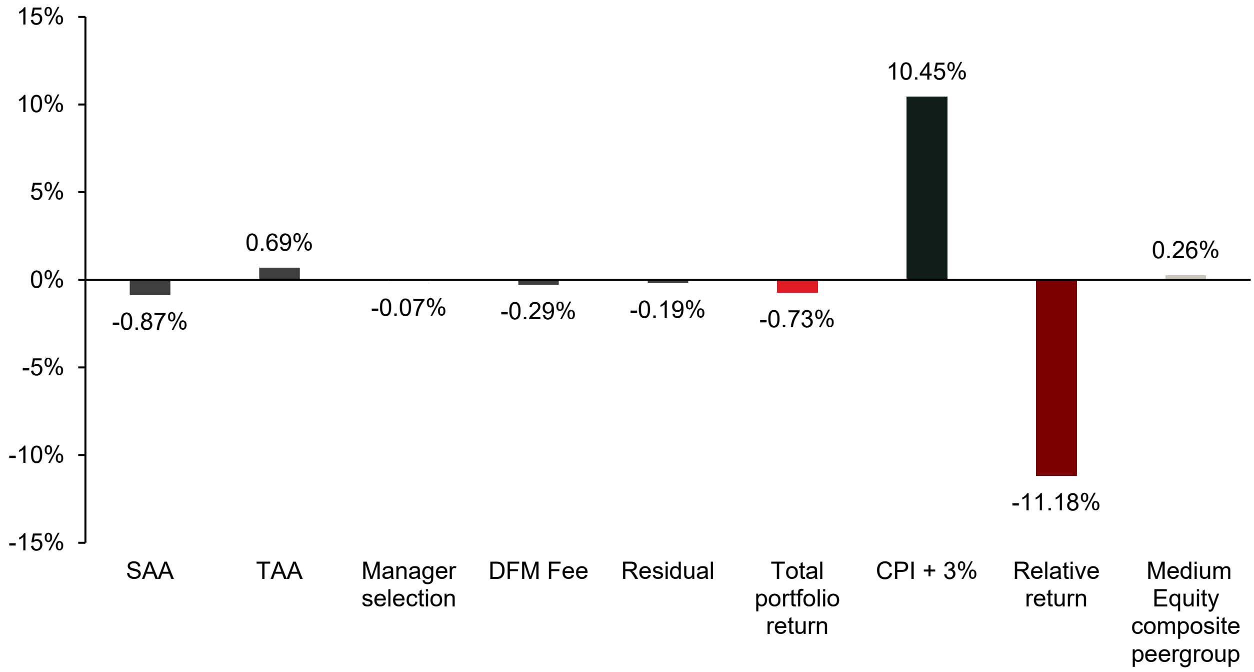


Figure 3.7: Strategic asset allocation effects: 12 months to 31 December 2022

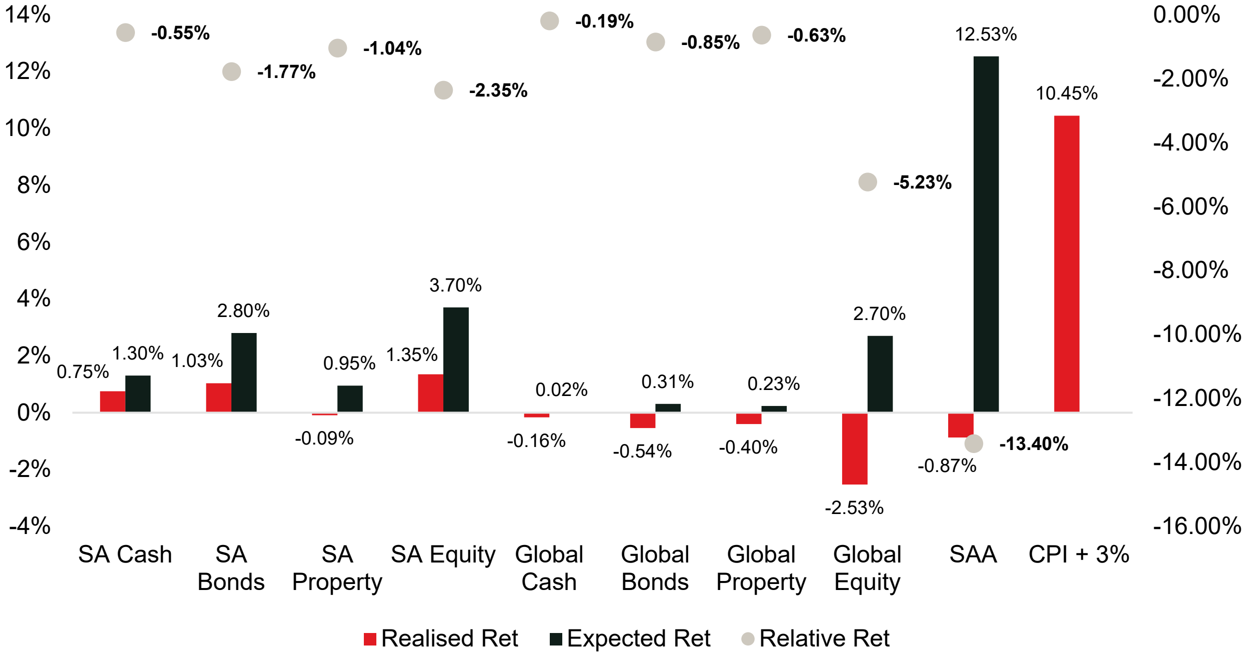


Figure 3.8: Tactical asset allocation effects: 12 months to 31 December 2022

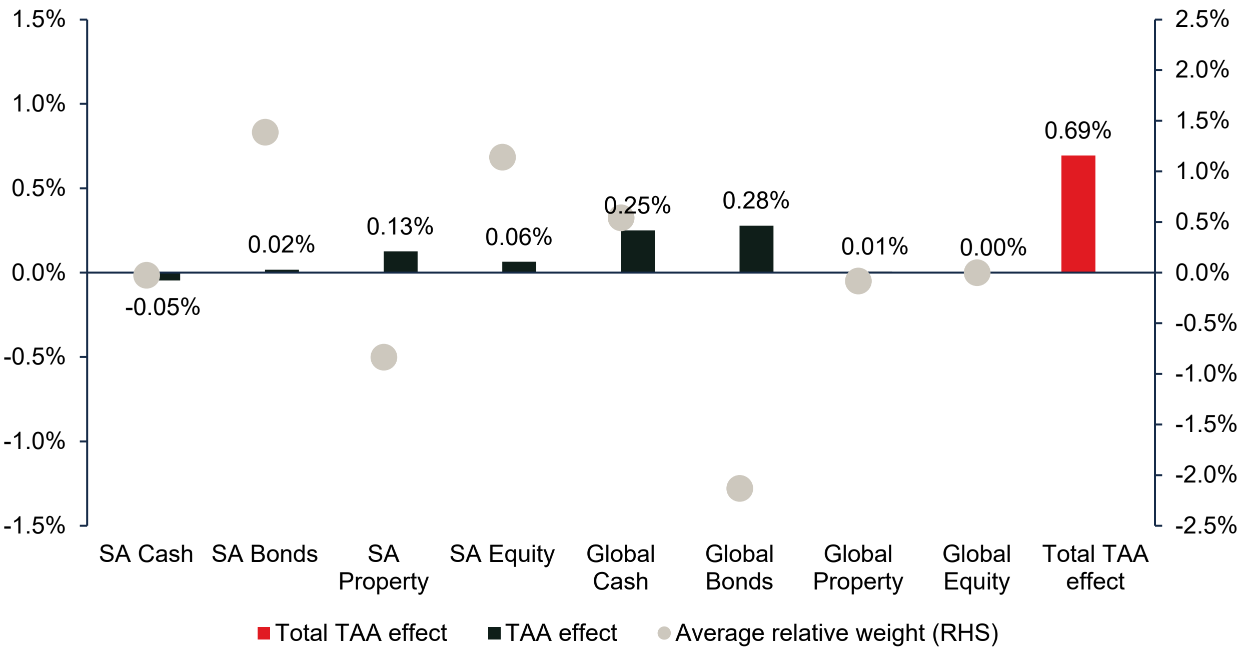


Figure 3.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

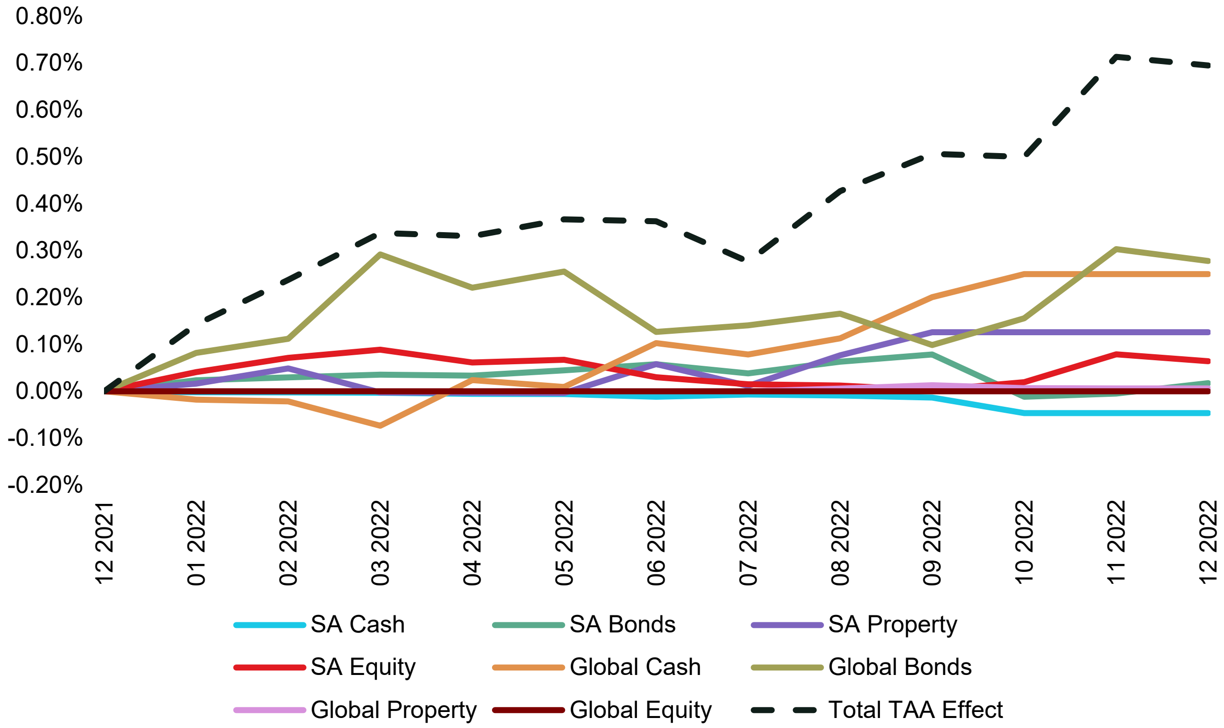


Figure 3.10: Manager selection effects: 12 months to 31 December 2022

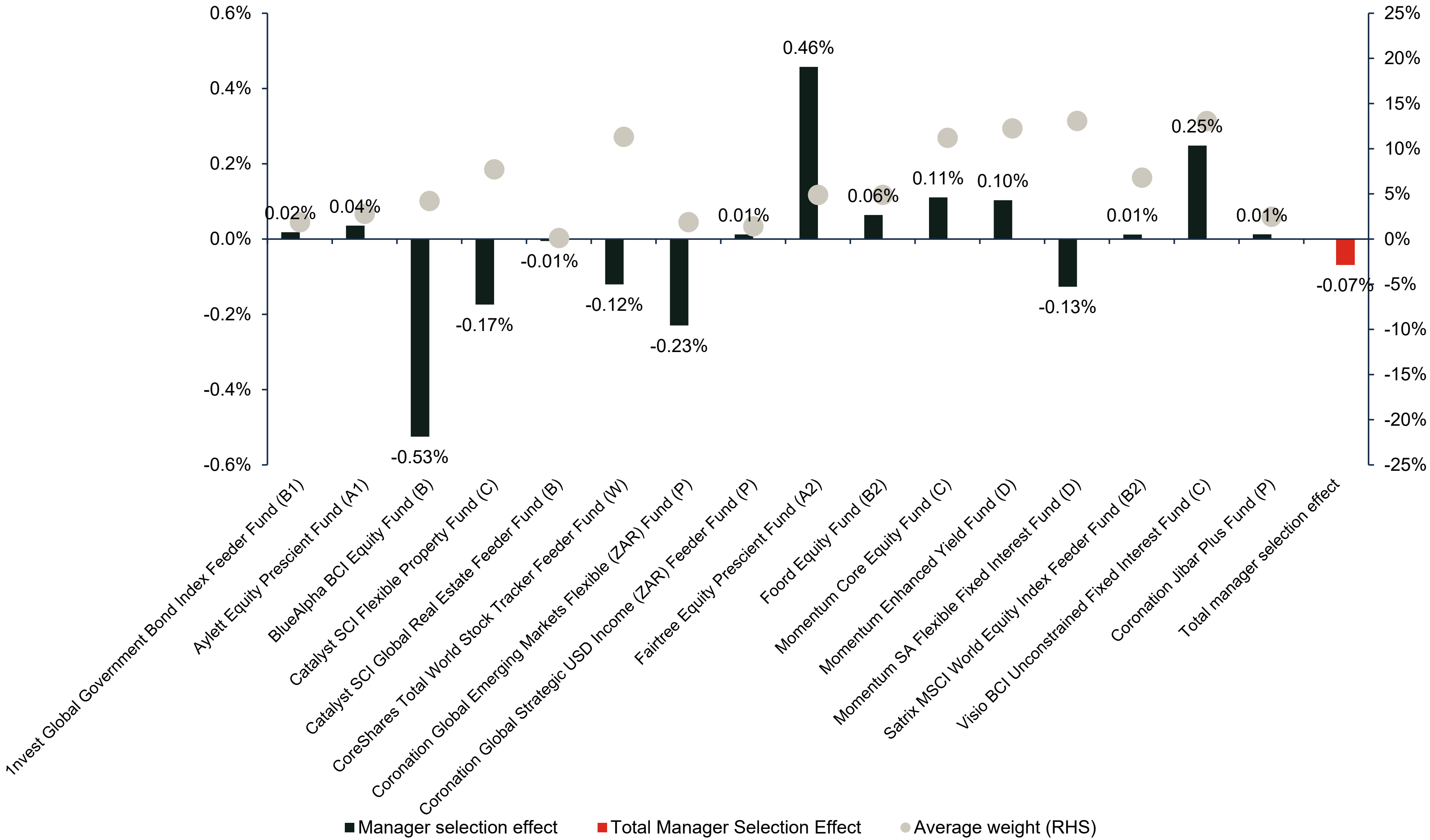
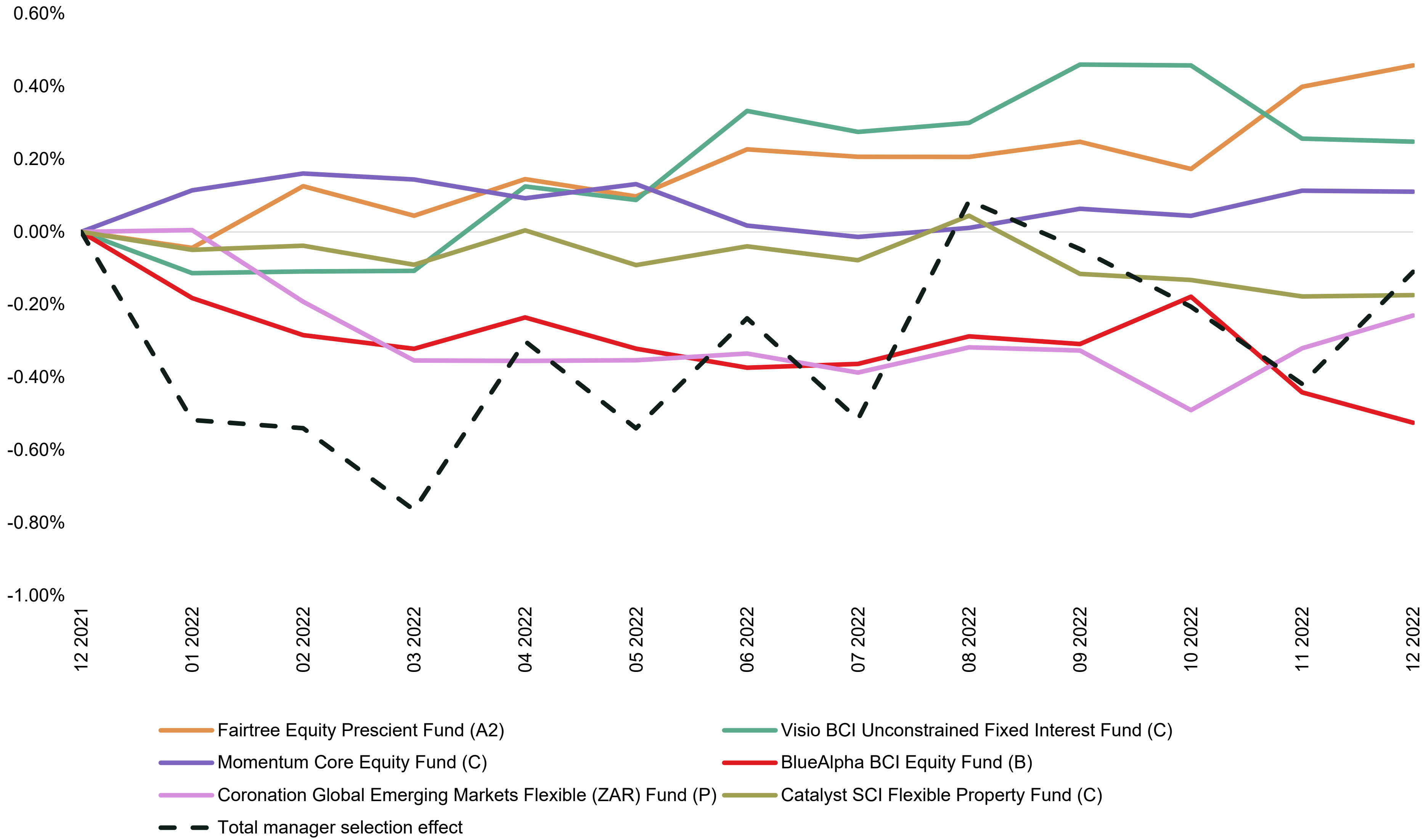


Figure 3.11: Cumulative manager selection effects: 12 months to 31 December 2022



2.4. Equilibrium Moderate Portfolio

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

2.4.1. Returns

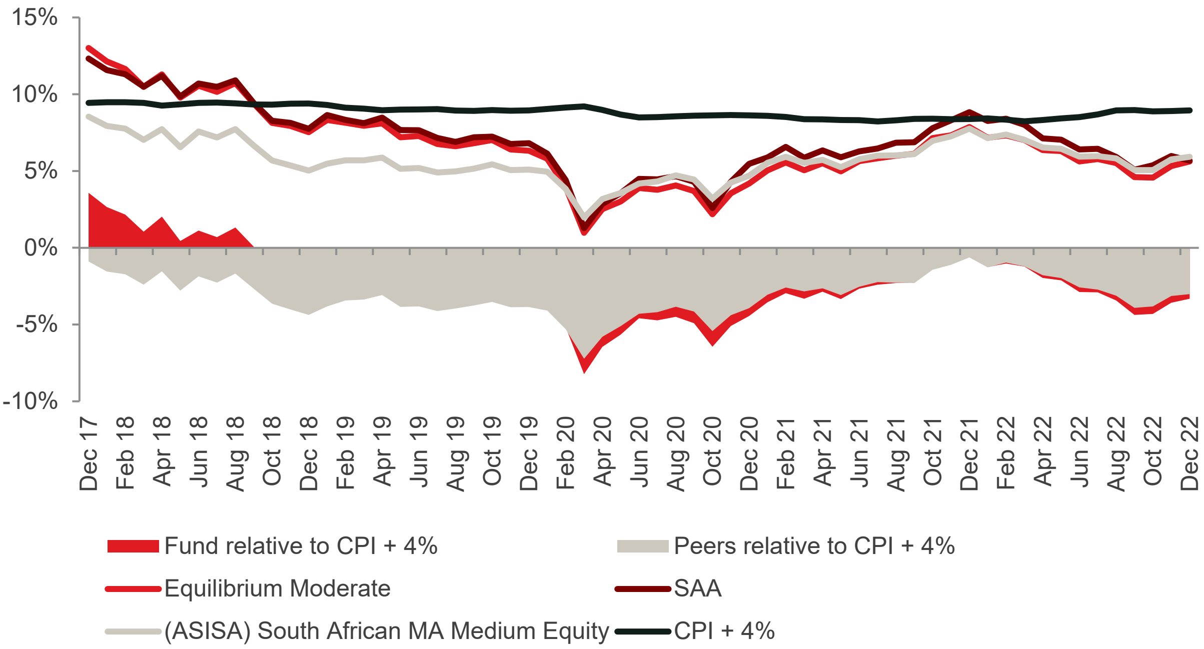
Figure 4.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Moderate	7.3%	7.3%	-1.1%	7.2%	5.6%	5.8%	6.4%	66
Benchmark: CPI + 4%	1.7%	5.5%	11.4%	9.3%	8.9%	9.1%	8.8%	
SAA	6.9%	6.5%	-1.4%	7.3%	5.7%	6.7%	7.0%	
(ASISA) South African MA Medium Equity	*6.0%*	*6.3%*	*0.3%*	*7.4%*	*5.9%*	*5.8%*	*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 underperformed its CPI + 4% benchmark by 3.3% over the 5-year period to 31 December 2022. It also underperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.3% over the last 12 months, net of all investment related fees.

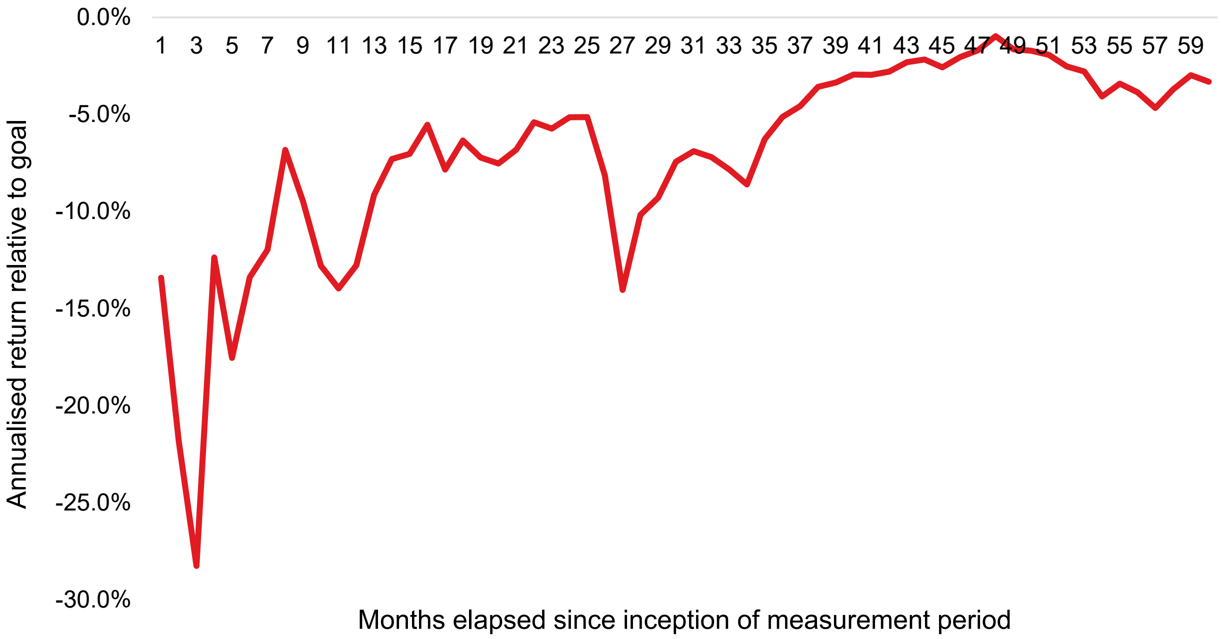
Figure 4.2: Rolling 5-year returns ann.: 10 years to 31 December 2022 *



	Equilibrium Moderate	(ASISA) South African MA Medium Equity
Number of observations	61	
Period outperforming	10	0
Realised probability of outperforming	16%	0%
Max outperformance p.a.	3.6%	-0.6%
Max underperformance p.a.	-8.2%	-7.2%

- Over the last 10 years, the portfolio outperformed its benchmark on 16% of the total rolling 5-year periods. This compares favourably with the peer group, which never outperformed over the rolling 5-year periods.

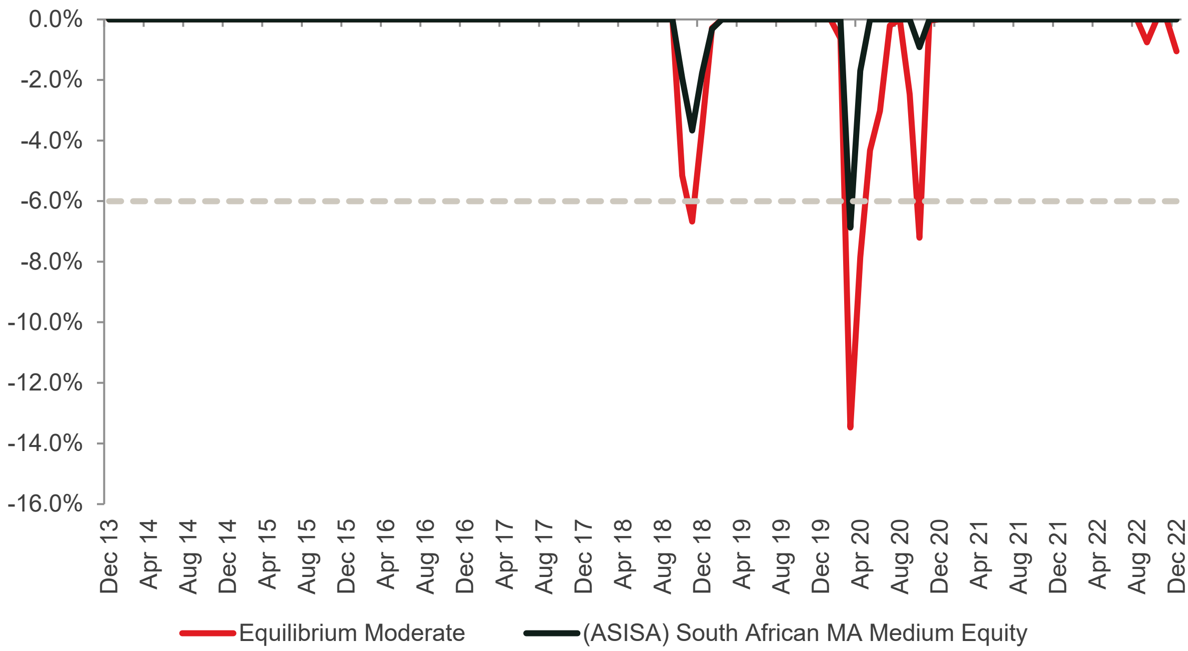
Figure 4.3: Portfolio performance relative to goal*



- Even though the portfolio was on track to meet its benchmark post the COVID-19 crises, unfortunately the turmoil in local and global markets caused the gap between the portfolio and the benchmark to widen again in 2022. The recent good returns from most asset classes in Q4 2022 narrowed the underperformance.

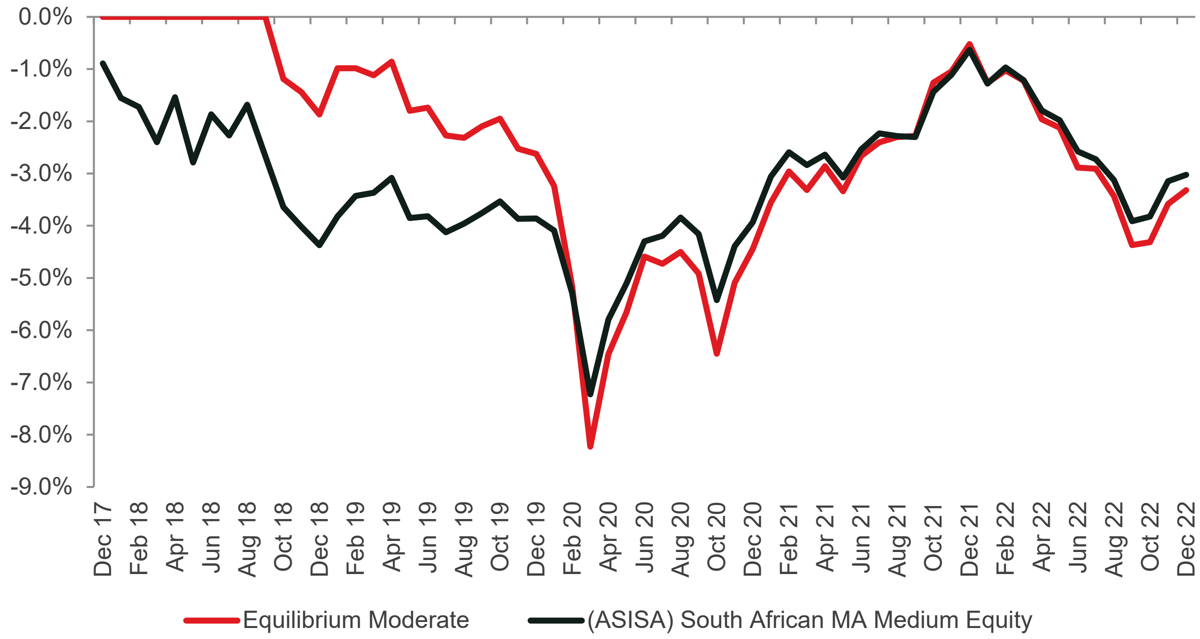
2.4.2. Risk

Figure 4.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 2022*



- Even though the portfolio underperformed its benchmark over rolling 5 years, it was to a lesser extent than the peer group until recently. The portfolio however 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 sell-off in local and global markets in 2022.

2.4.3. Performance attribution

Figure 4.6: Total return attribution: 12 months to 31 December 2022

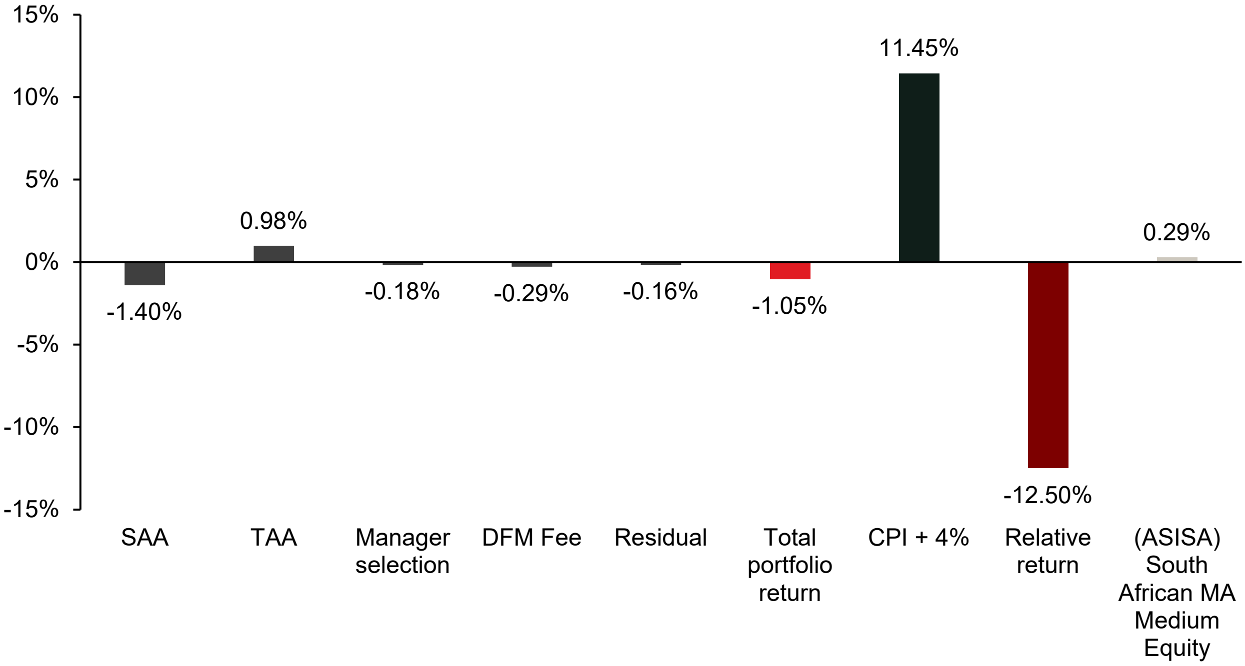


Figure 4.7: Strategic asset allocation effects: 12 months to 31 December 2022

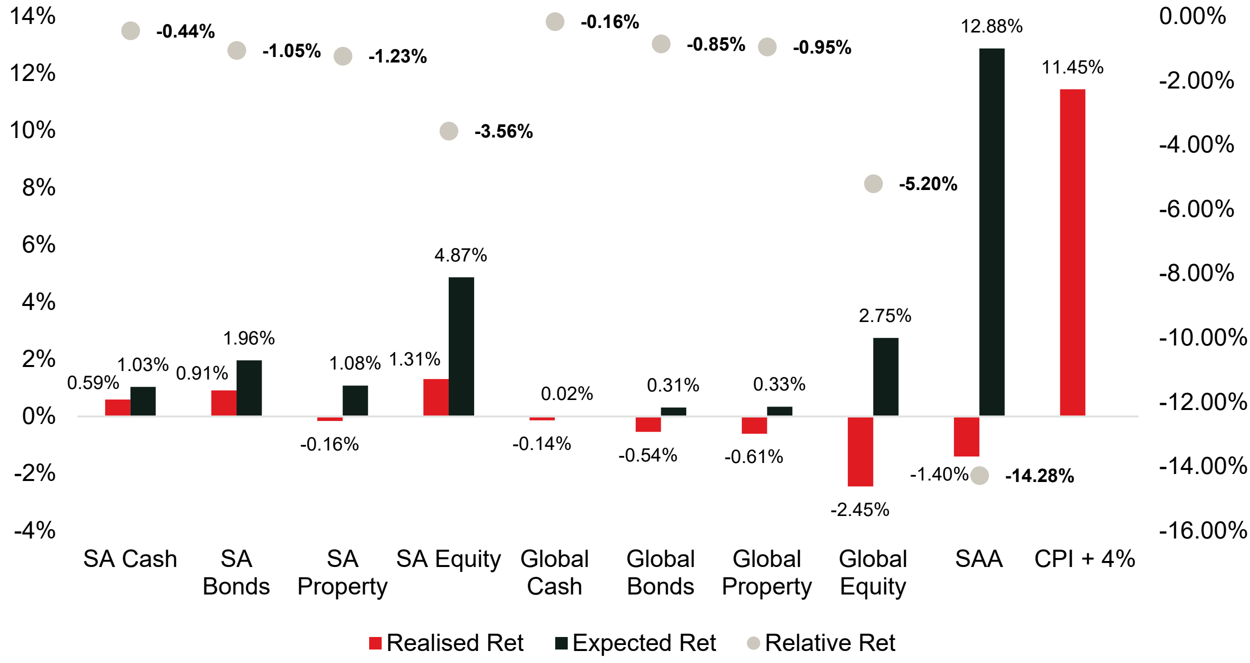


Figure 4.8: Tactical asset allocation effects: 12 months to 31 December 2022

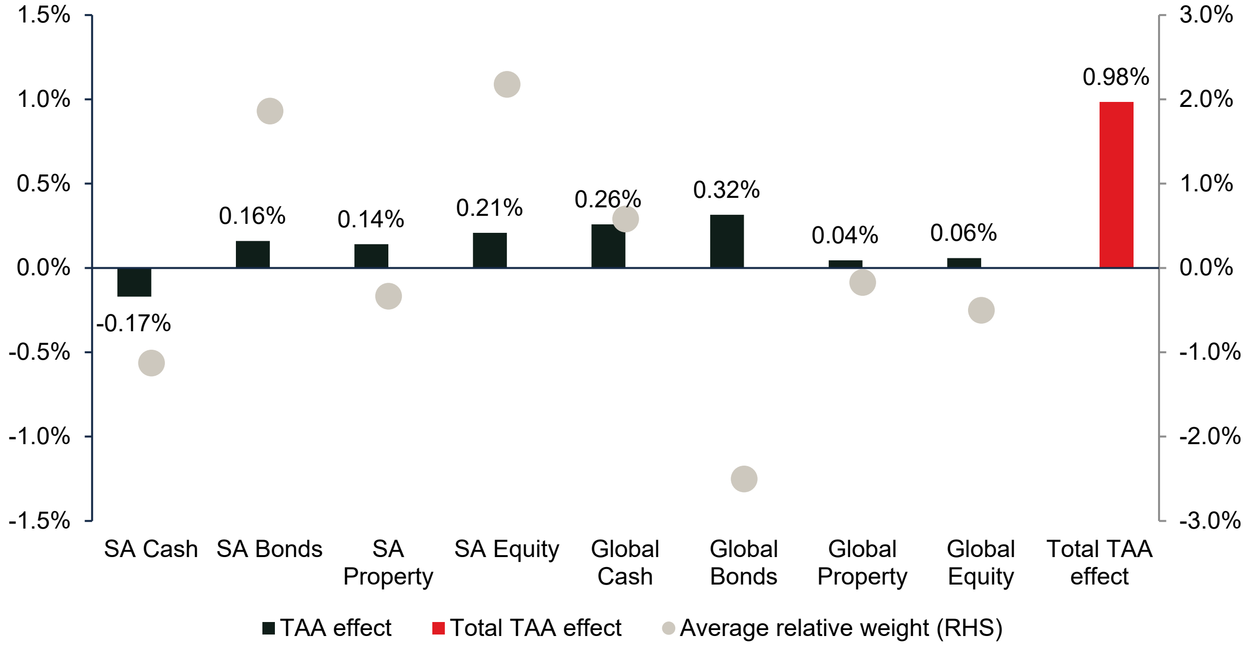


Figure 4.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

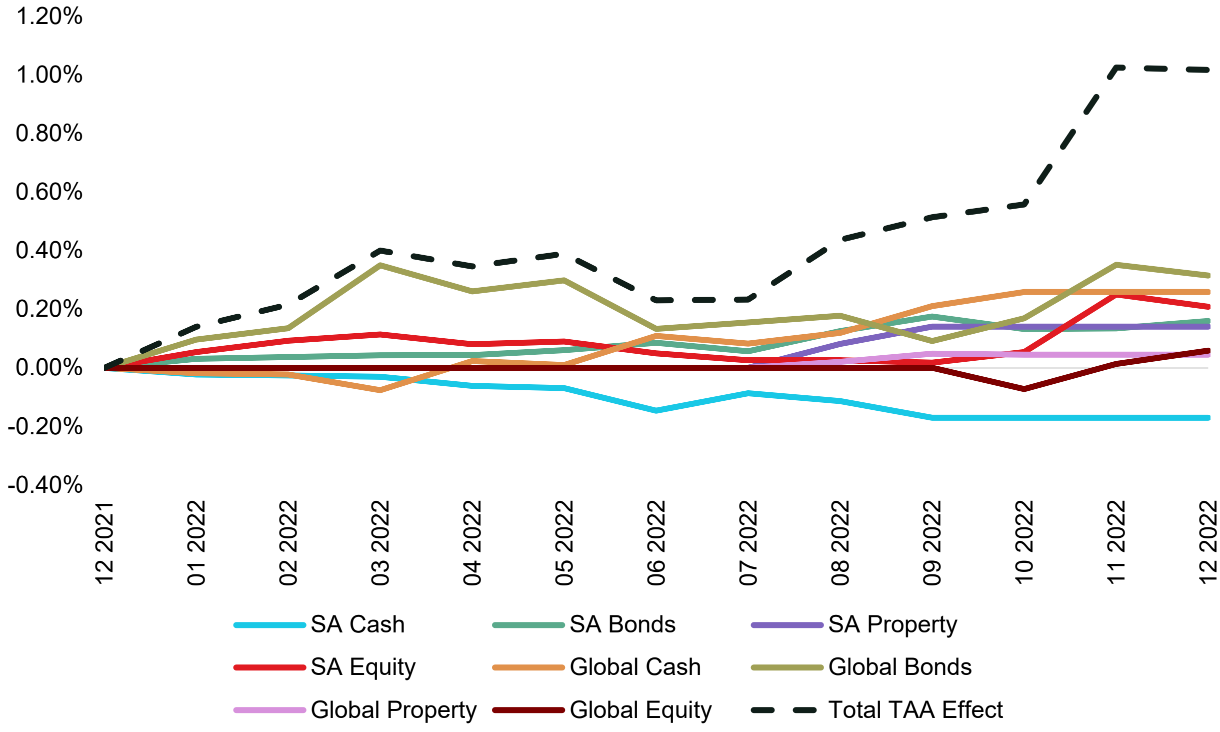


Figure 4.10: Manager selection effects: 12 months to 31 December 2022

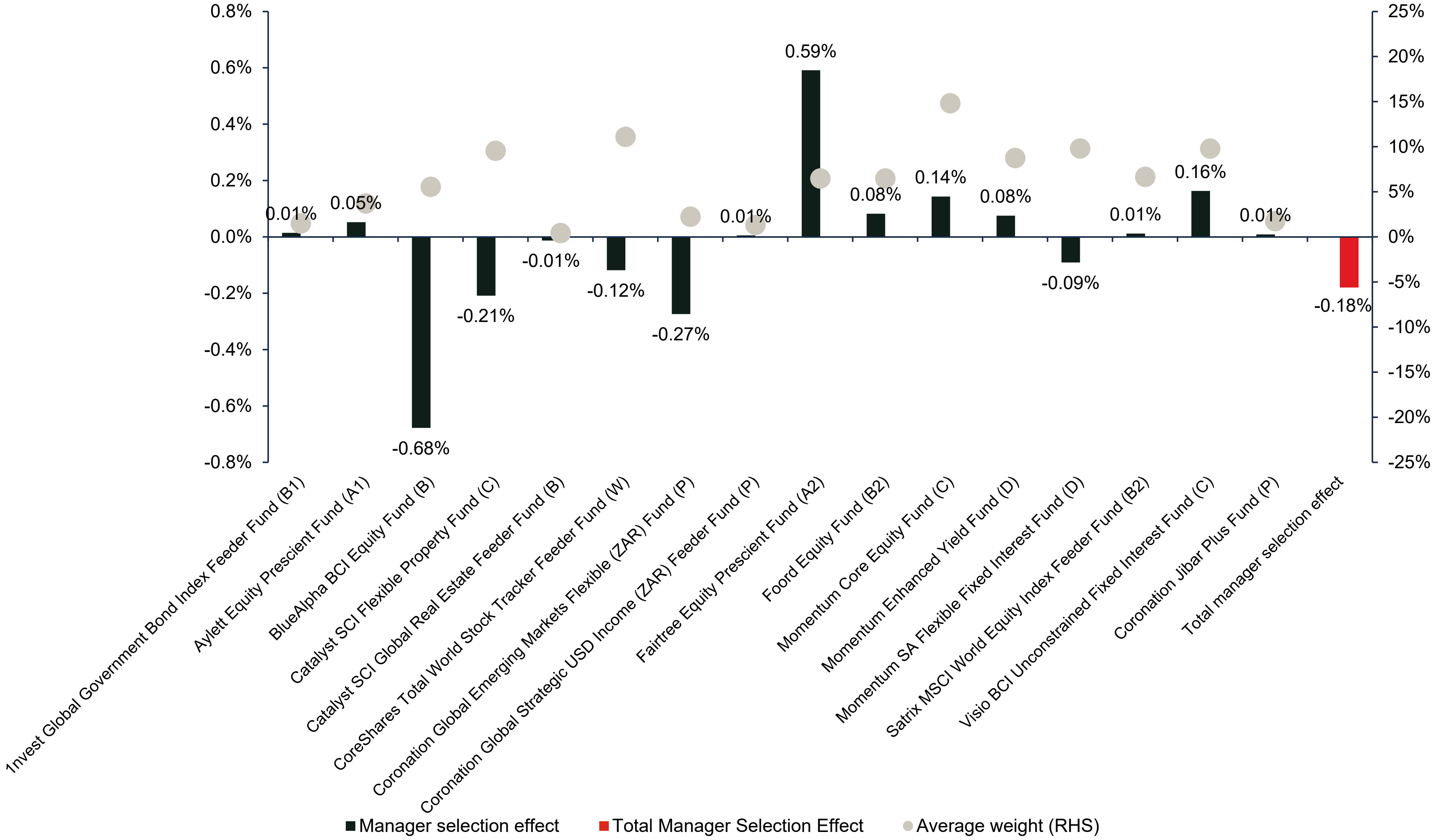
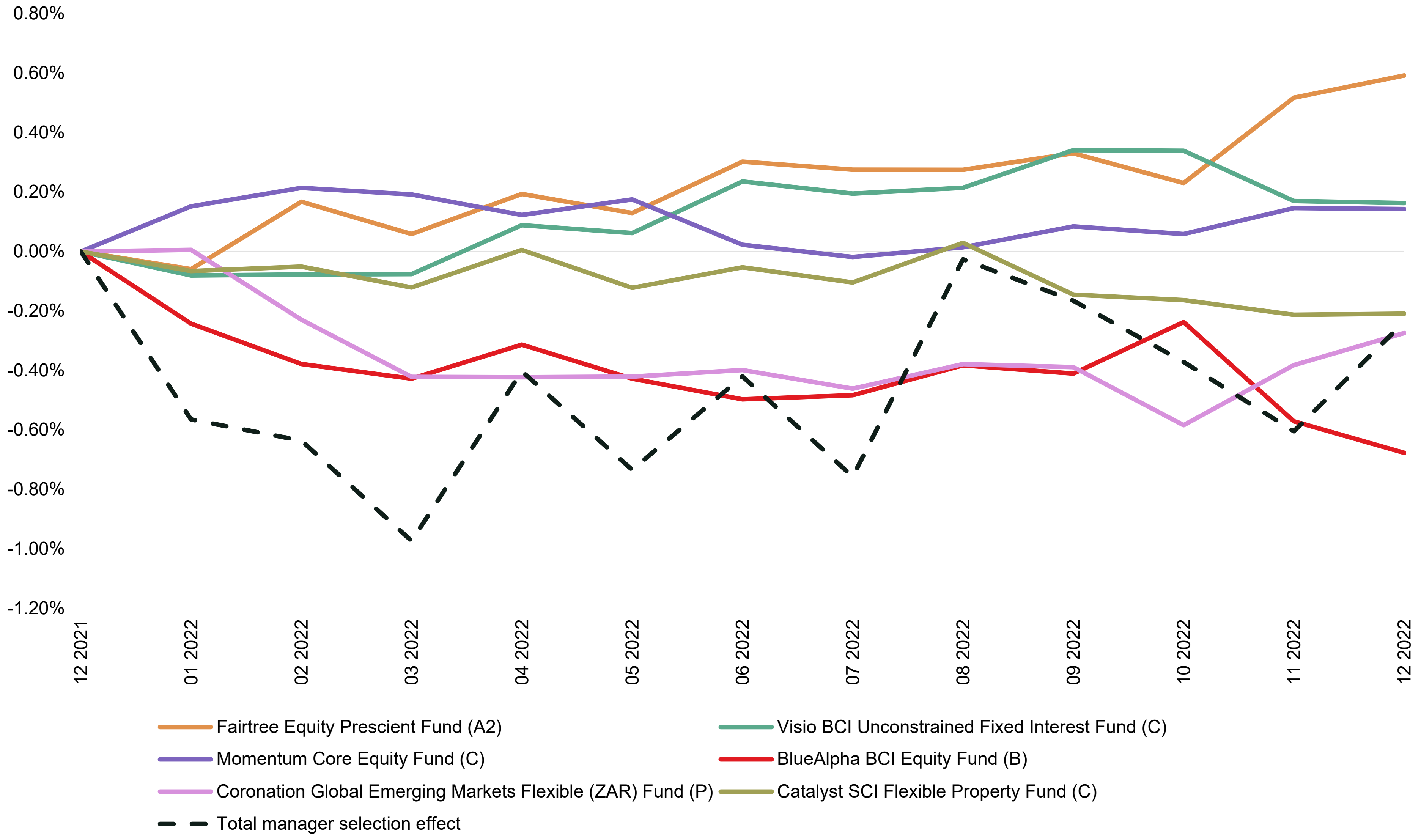


Figure 4.11: Cumulative manager selection effects: 12 months to 31 December 2022



2.5. Equilibrium Balanced Portfolio

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

2.5.1. Returns

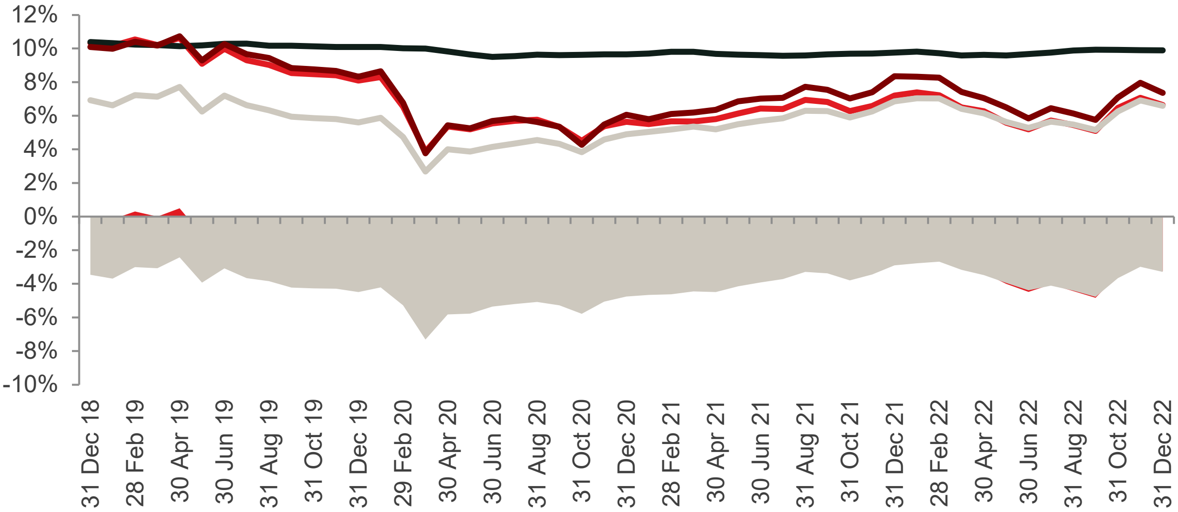
Figure 5.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Balanced	**8.1%**	**8.0%**	**-1.1%**	**10.8%**	**8.9%**	**6.6%**	**6.8%**	66
Benchmark: CPI + 5%	2.0%	6.0%	12.5%	11.4%	9.9%	9.9%	9.8%	
SAA	7.6%	7.0%	-1.6%	11.0%	8.7%	7.4%	7.3%	
(ASISA) South African MA High Equity	*6.9%*	*6.8%*	*-0.2%*	*9.6%*	*8.5%*	*6.6%*	*6.8%*	

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

- The portfolio underperformed its CPI + 5% benchmark by 3.3% over the 6-year period to 31 December 2022. It performed in line with the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.5% over the last 12 months, net of all investment related fees.

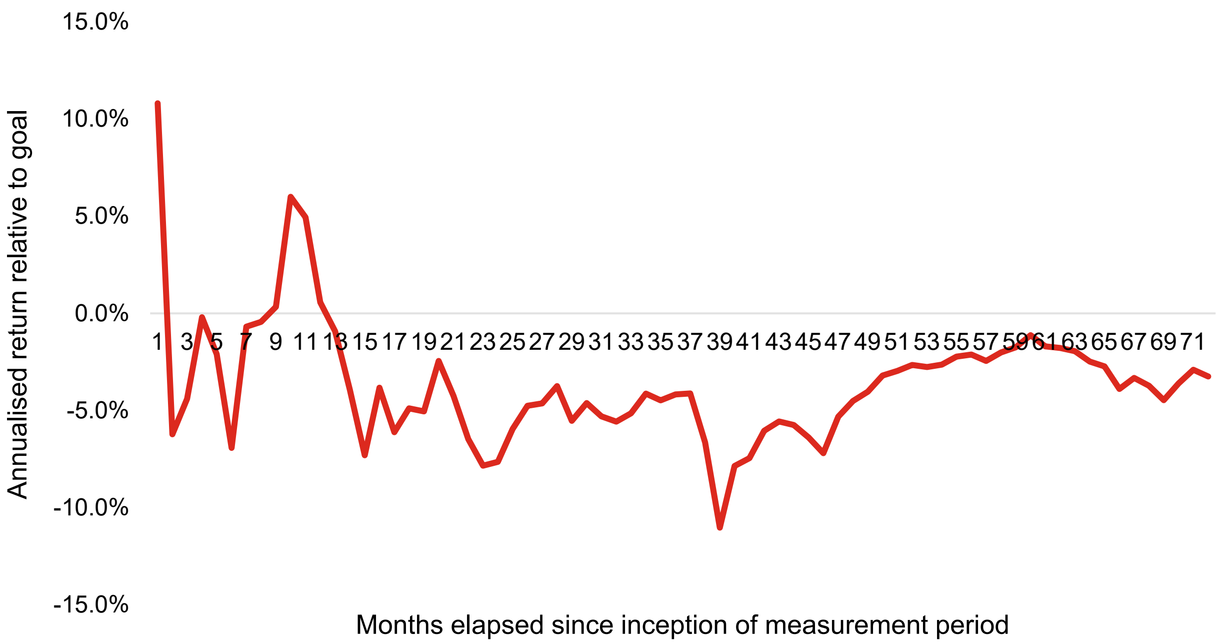
Figure 5.2: Rolling 6-year returns ann.: 10 years to 31 December 2022 *



	Equilibrium Balanced	(ASISA) South African MA High Equity
Number of observations	49	
Period outperforming	3	0
Realised probability of outperforming	**6%**	0%
Max outperformance p.a.	**0.5%**	-2.4%
Max underperformance p.a.	**-6.1%**	-7.3%

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

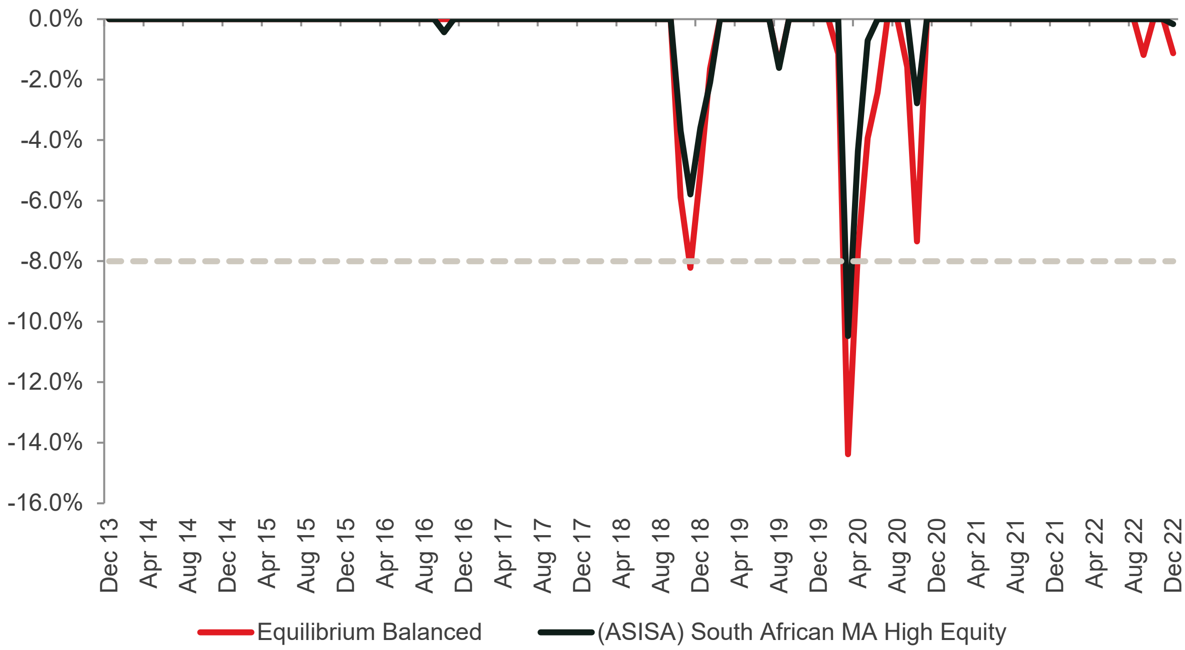
Figure 5.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 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 had shown a strong recovery relative to its benchmark. However, given its more aggressive risk budget, it was more severely impacted by the sell-off in local and global markets in 2022.

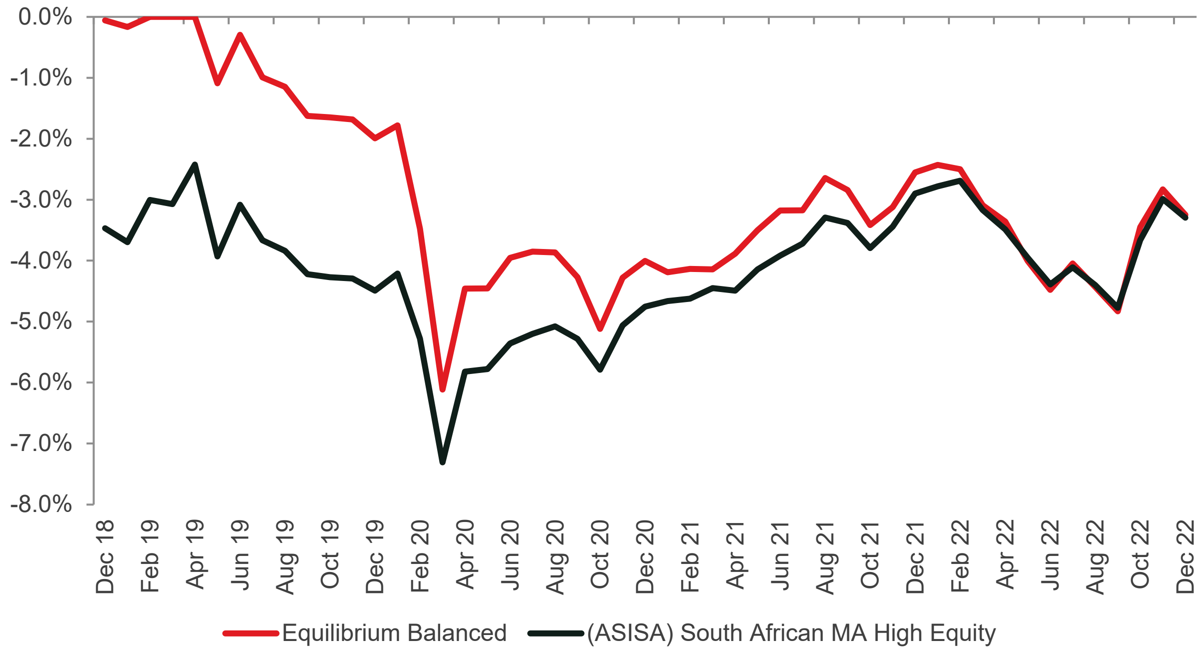
2.5.2. Risk

Figure 5.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 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 31 December 2022

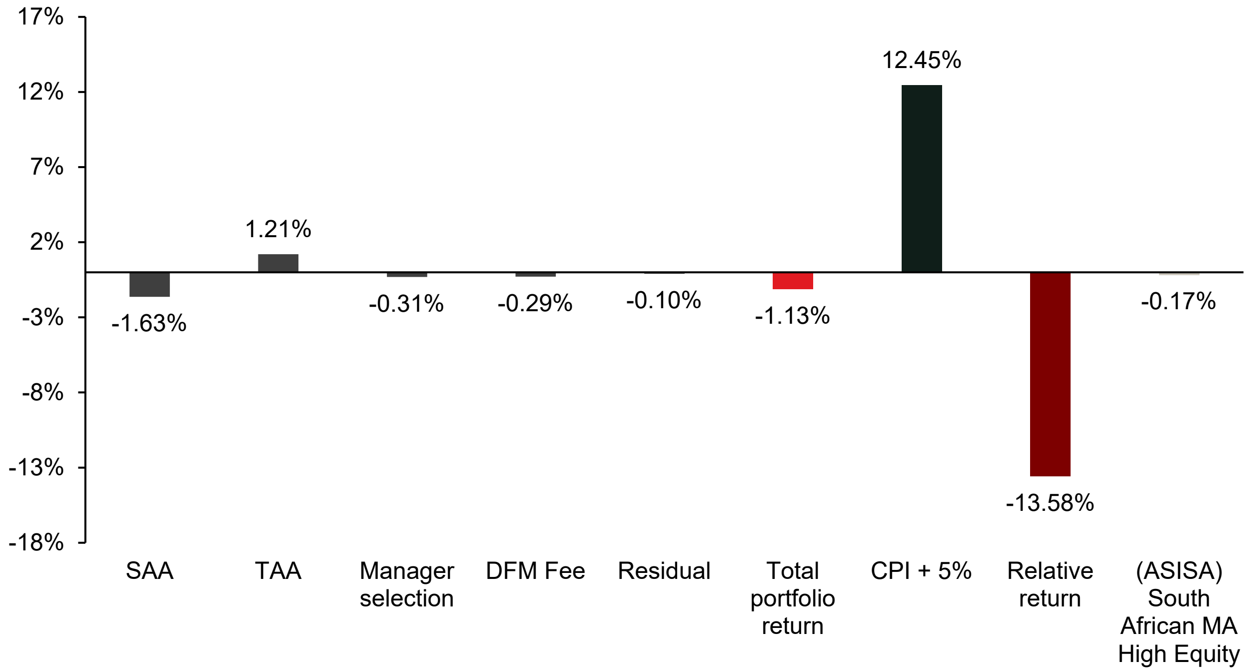


Figure 5.7: Strategic asset allocation effects: 12 months to 31 December 2022

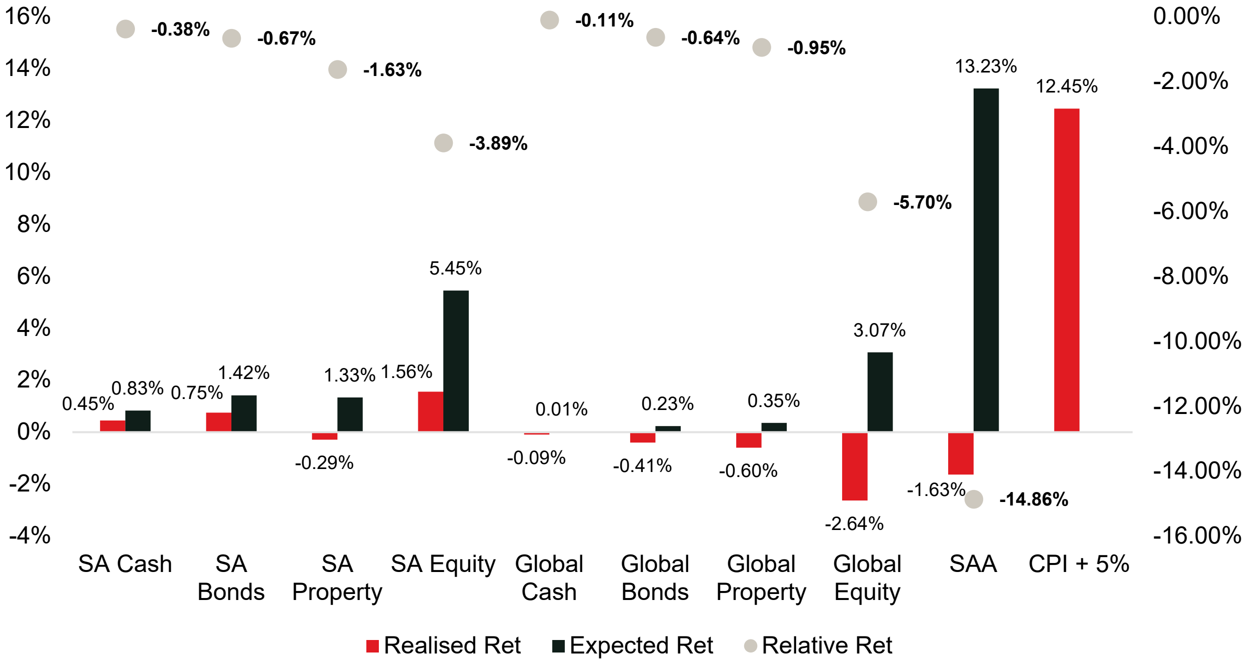


Figure 5.8: Tactical asset allocation effects: 12 months to 31 December 2022

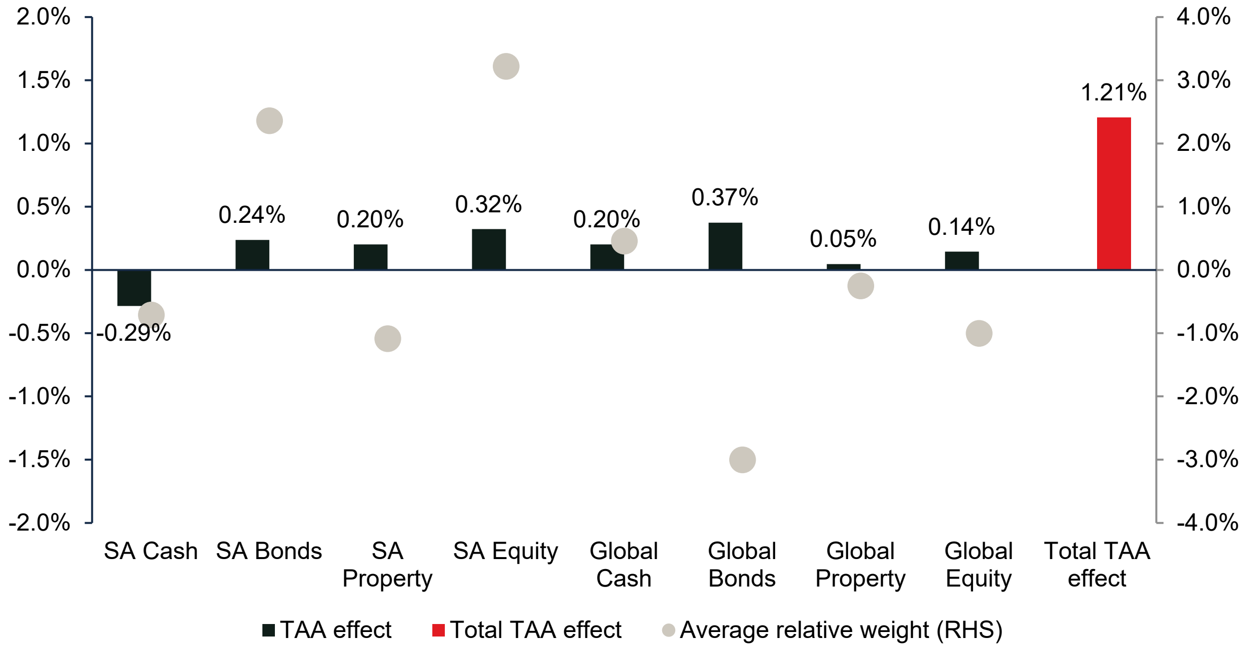


Figure 5.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

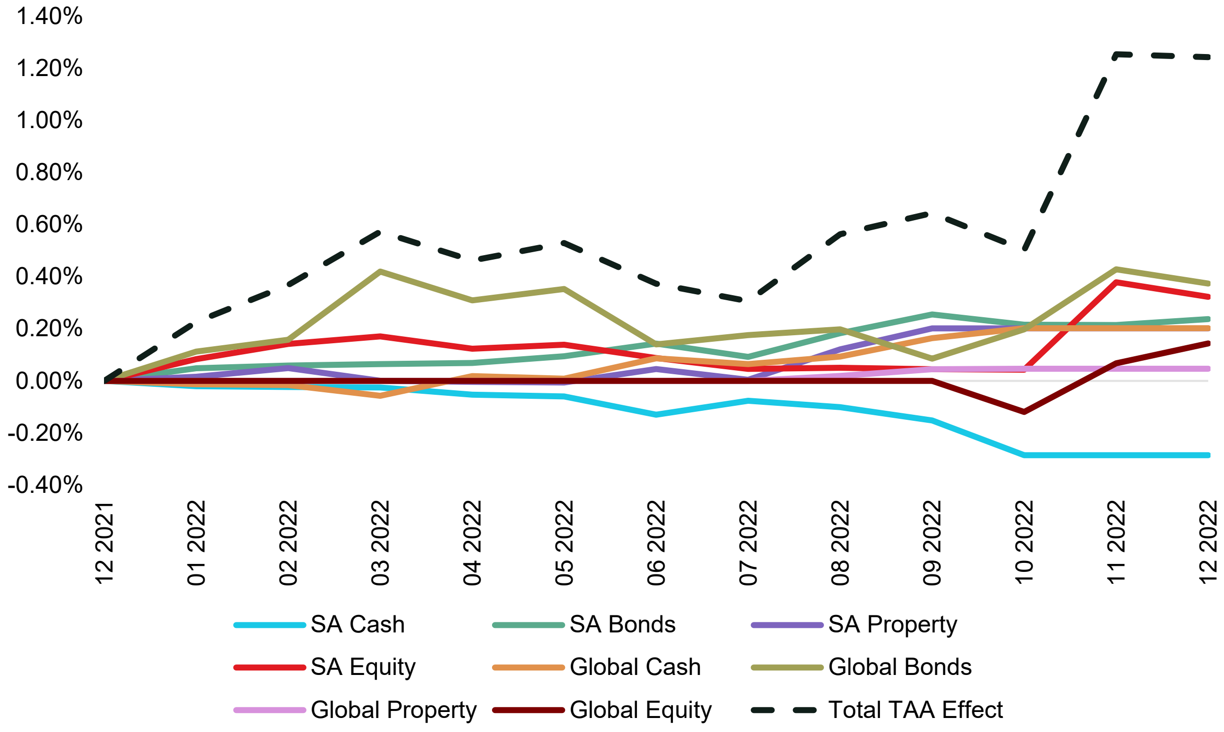


Figure 5.10: Manager selection effects: 12 months to 31 December 2022

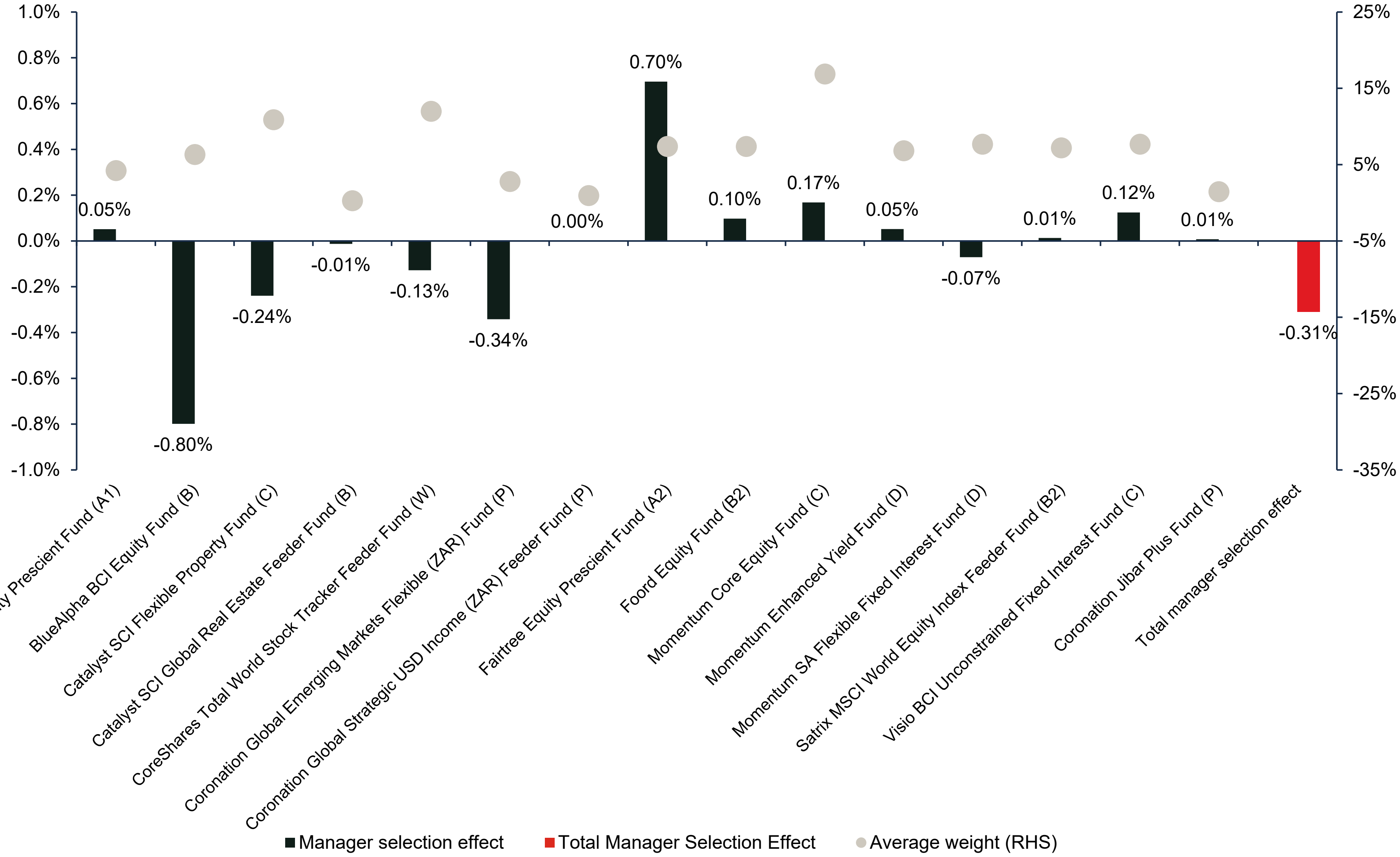
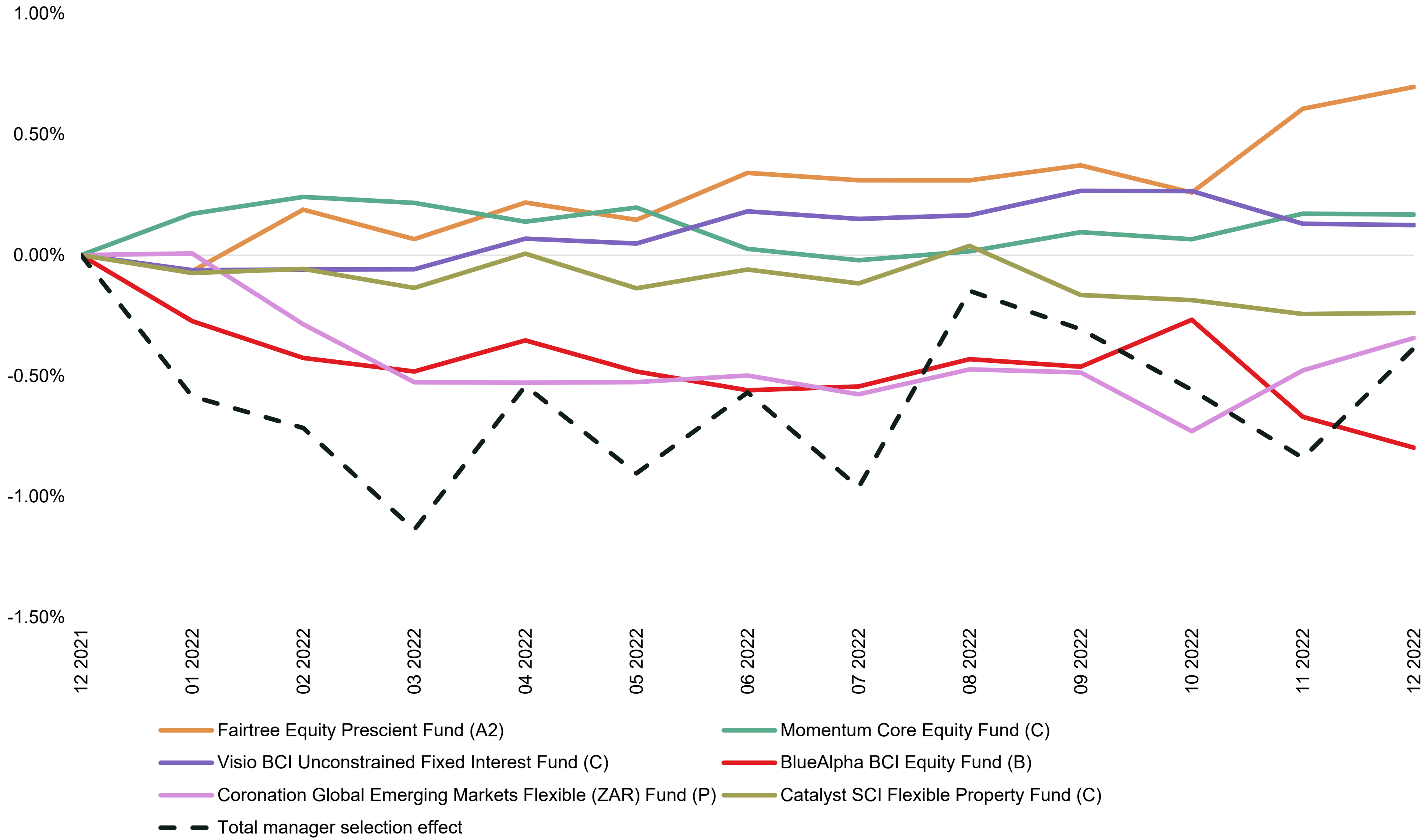


Figure 5.11: Cumulative manager selection effects: 12 months to 31 December 2022



2.6. Equilibrium Growth Portfolio

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

2.6.1. Returns

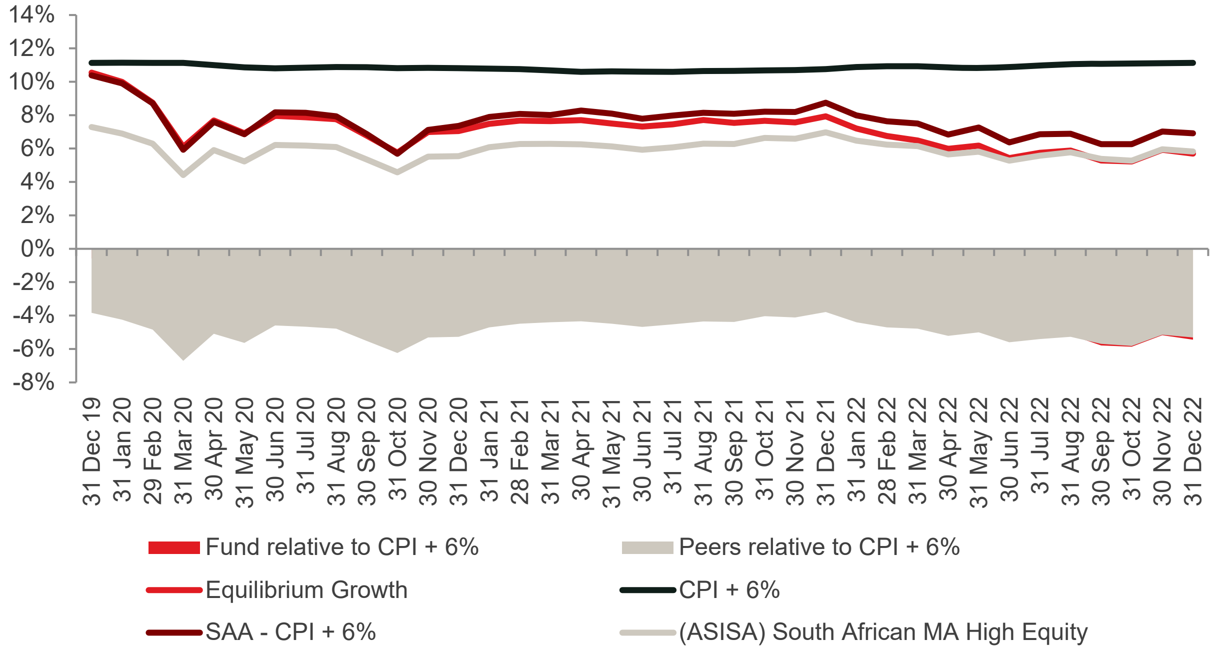
Figure 6.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Growth	8.6%	8.2%	-1.9%	7.6%	5.6%	5.7%	6.6%	66
Benchmark: CPI + 6%	2.2%	6.5%	13.5%	11.3%	10.9%	11.1%	10.8%	
SAA	8.0%	7.1%	-2.5%	8.0%	5.8%	6.9%	7.4%	
(ASISA) South African MA High Equity	*6.9%*	*6.8%*	*-0.2%*	*8.1%*	*5.9%*	*5.8%*	*6.8%*	

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

- The portfolio underperformed its CPI + 6% benchmark by 5.4% p.a. over the 7-year period to 31 December 2022. It marginally underperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.6% over the last 12 months, net of all investment related fees.

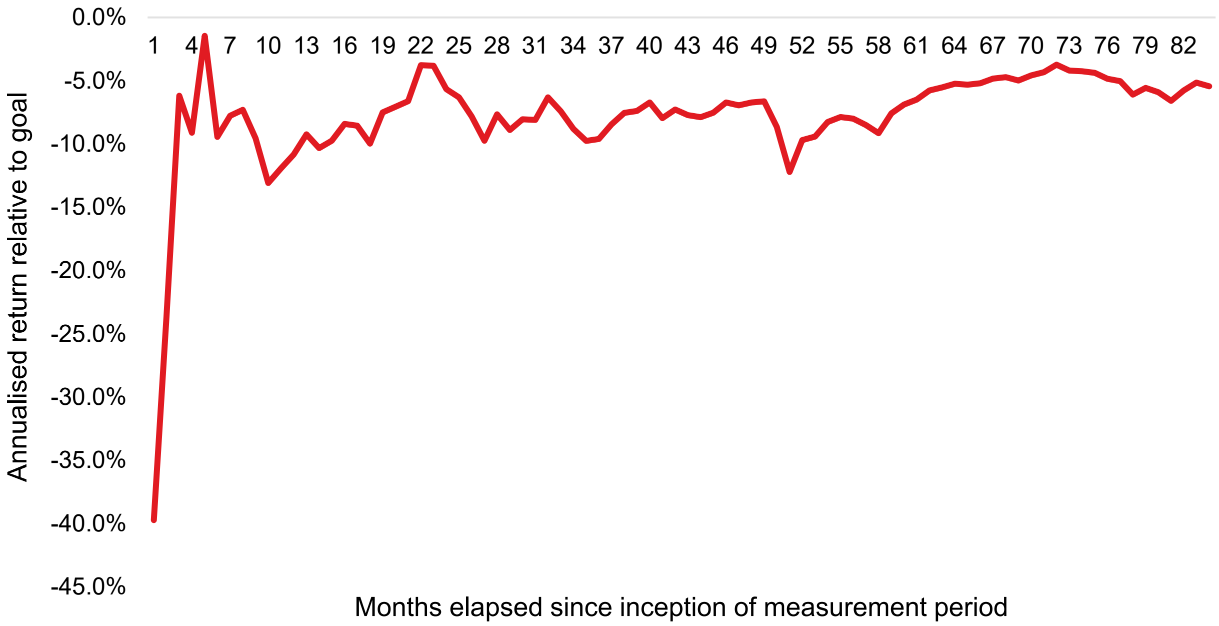
Figure 6.2: Rolling 7-year returns ann.: 10 years to 31 December 2022 *



	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.	-0.6%	-3.8%
Max underperformance p.a.	-5.9%	-6.7%

- Over the last 10 years, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

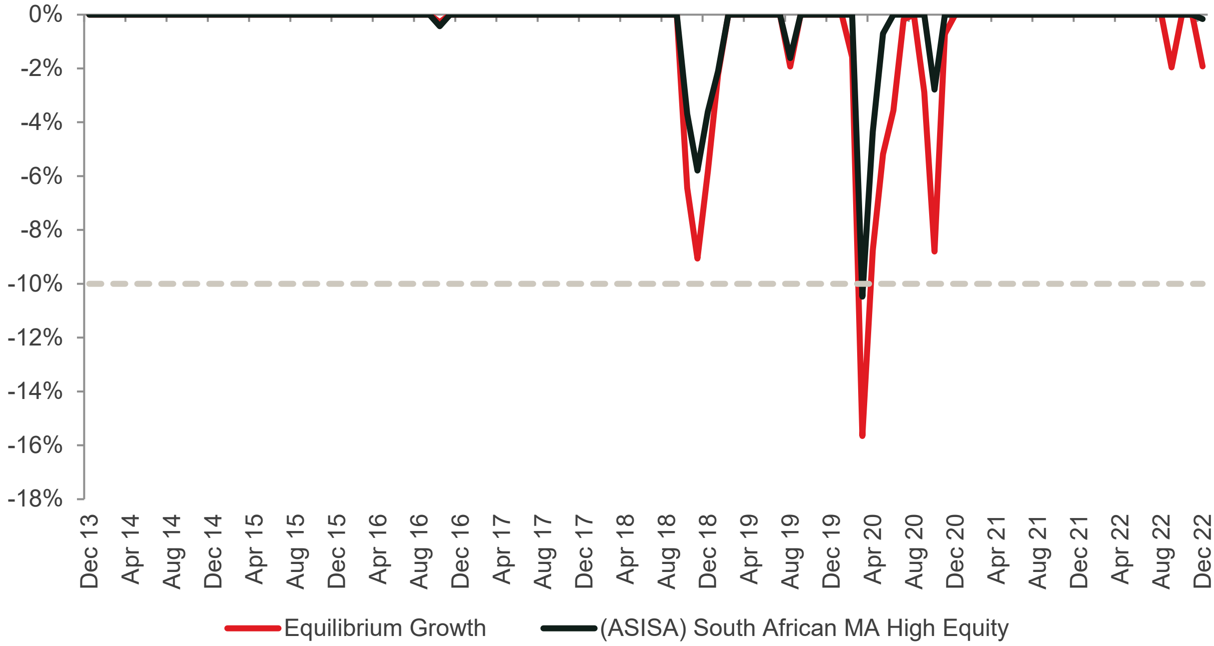
Figure 6.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 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.

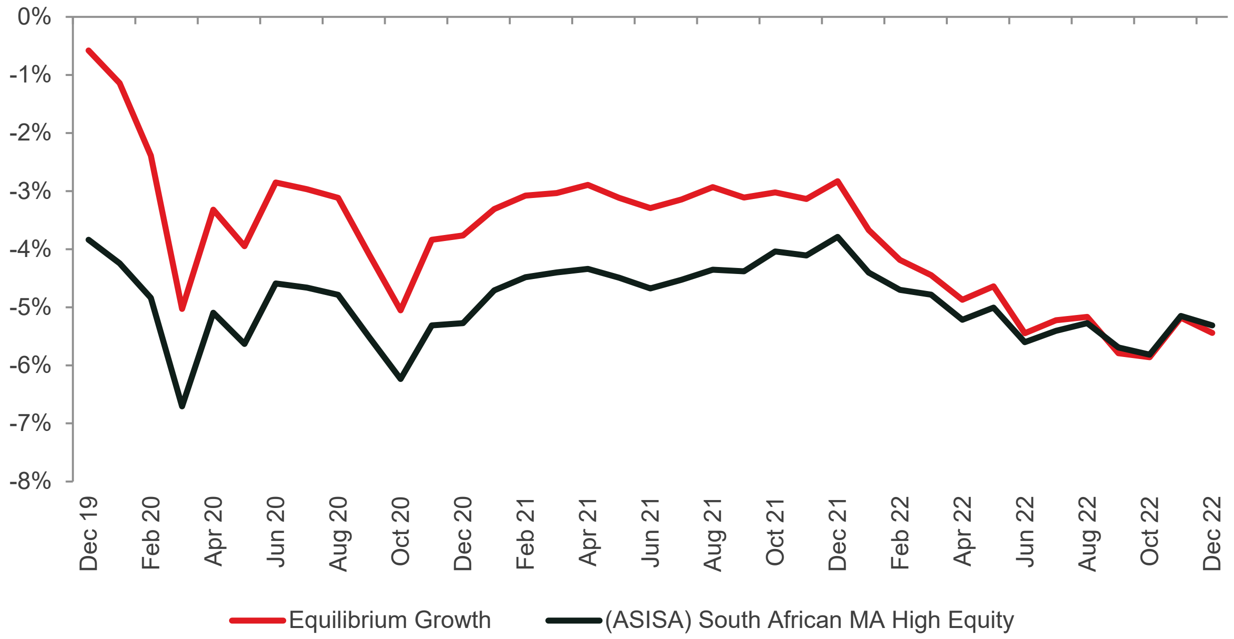
2.6.2. Risk

Figure 6.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 2022*



- Even though the portfolio underperformed its benchmark over rolling 7 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 + 6% more consistently than the peer group.

2.6.3. Performance attribution

Figure 6.6: Total return attribution: 12 months to 31 December 2022

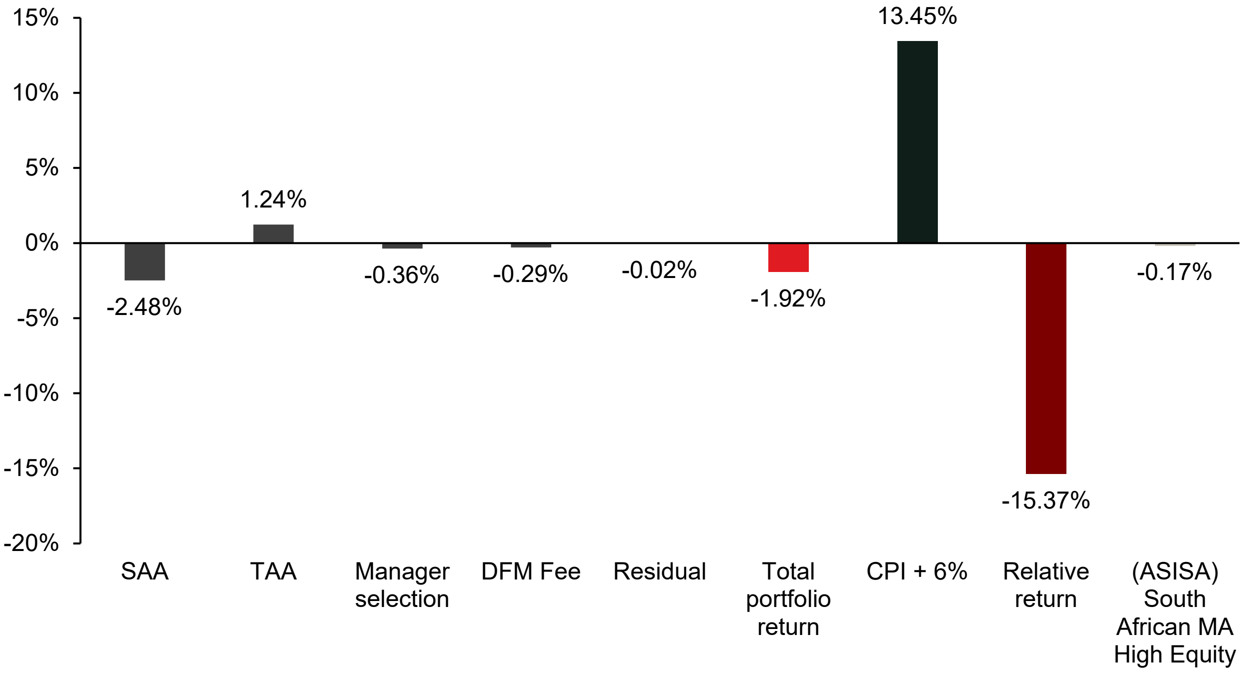


Figure 6.7: Strategic asset allocation effects: 12 months to 31 December 2022

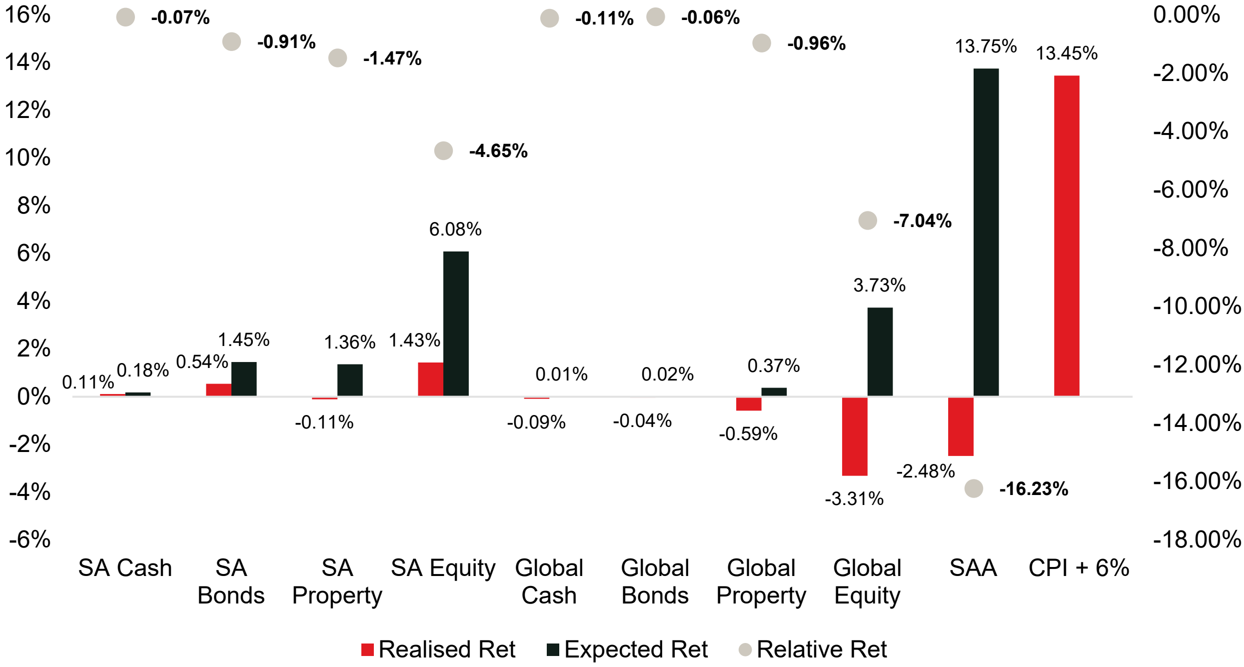


Figure 6.8: Tactical asset allocation effects: 12 months to 31 December 2022

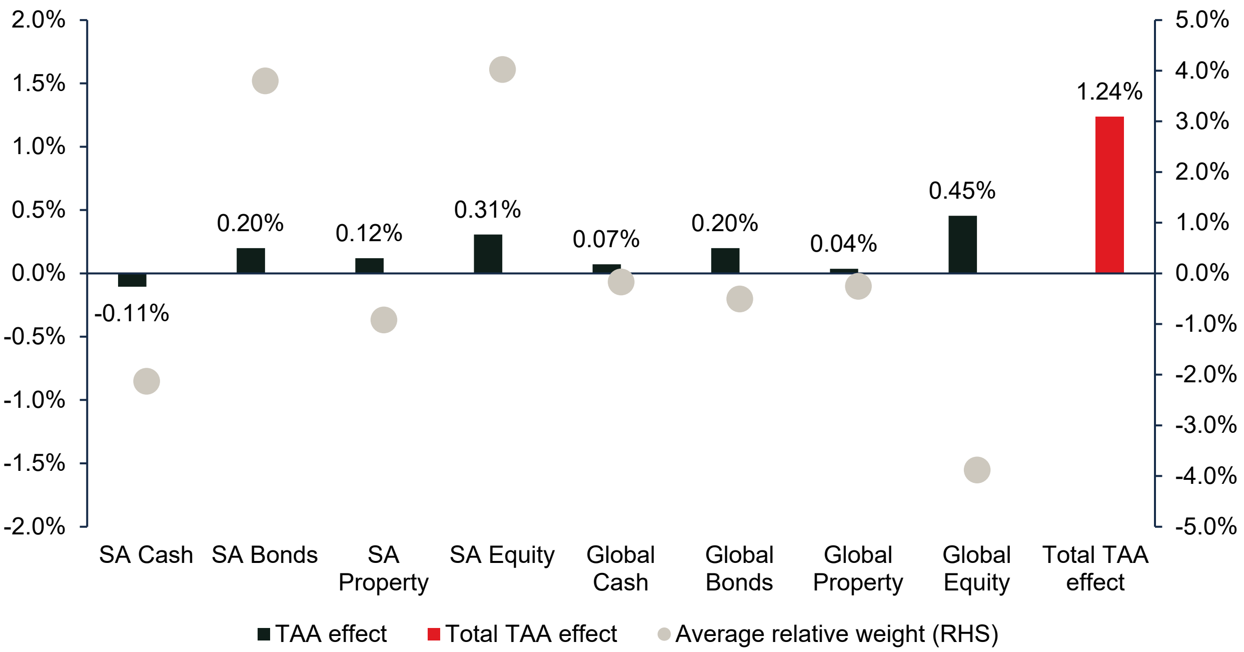


Figure 6.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

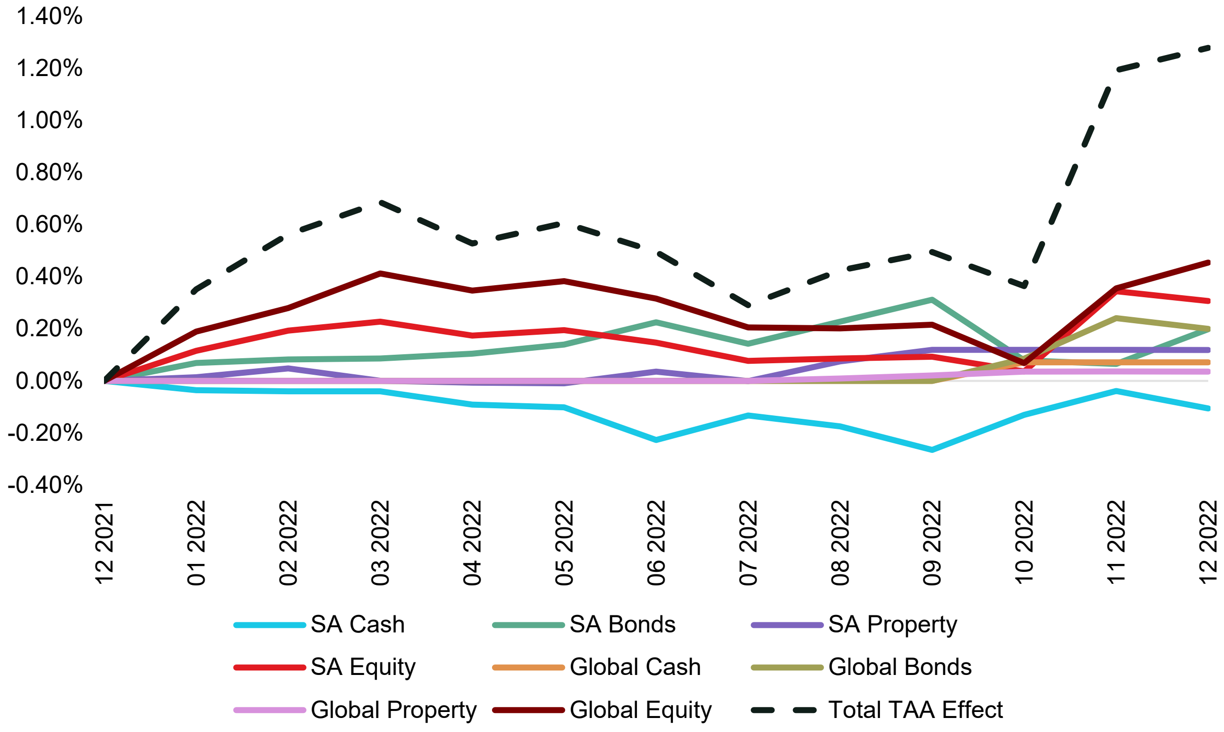


Figure 6.10: Manager selection effects: 12 months to 31 December 2022

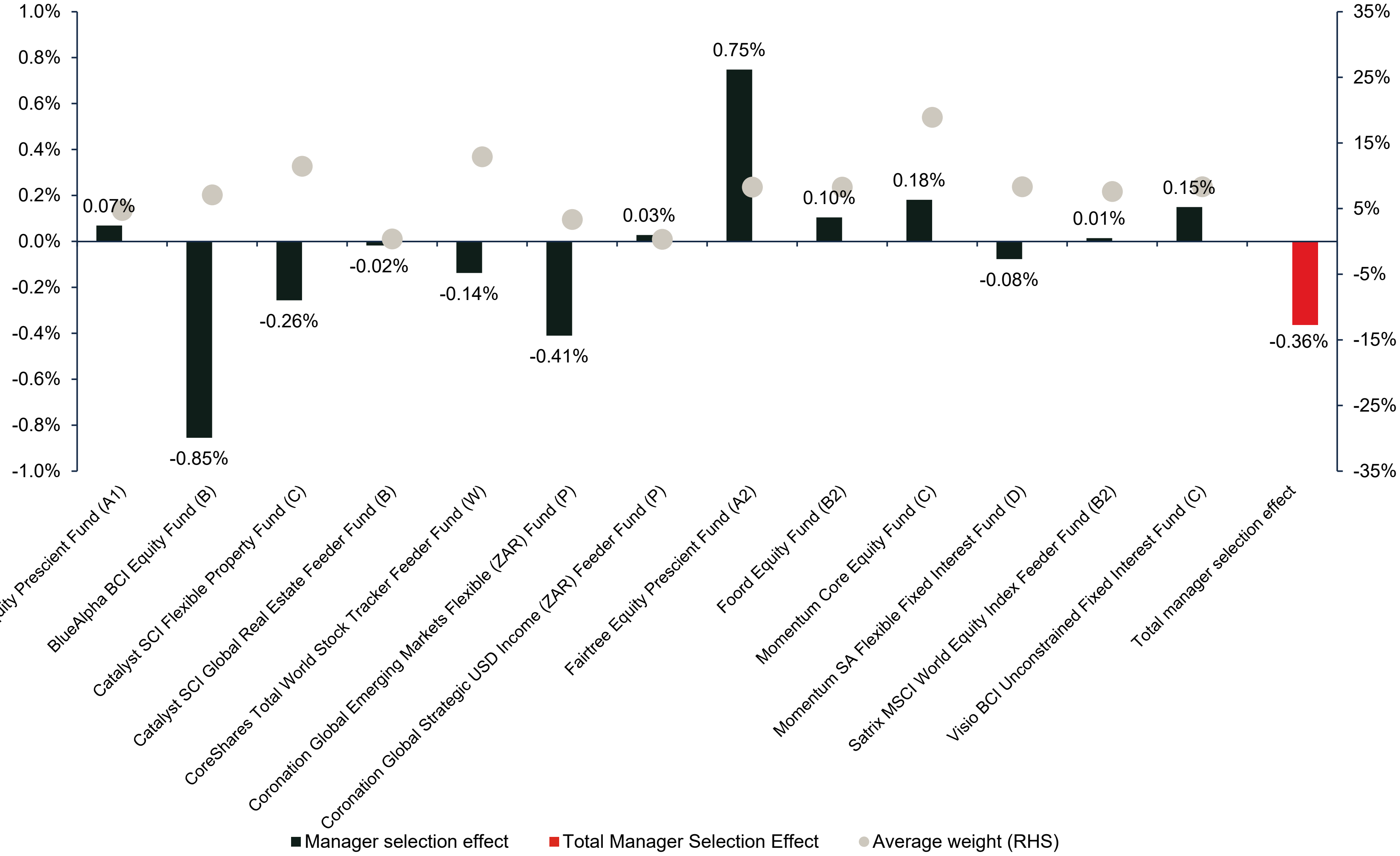
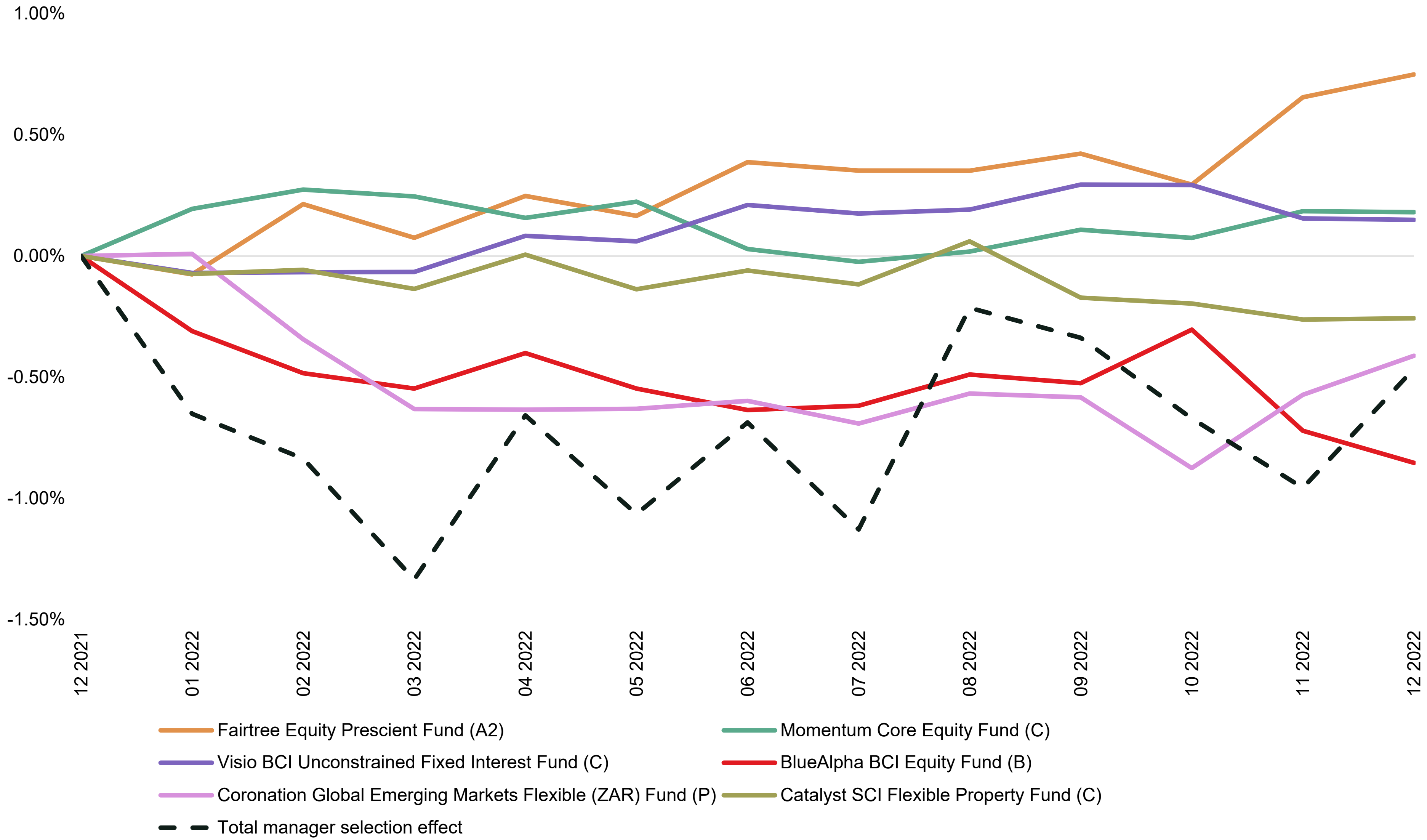


Figure 6.11: Cumulative manager selection effects: 12 months to 31 December 2022



2.7. Equilibrium Unconstrained Portfolio

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

2.7.1. Returns

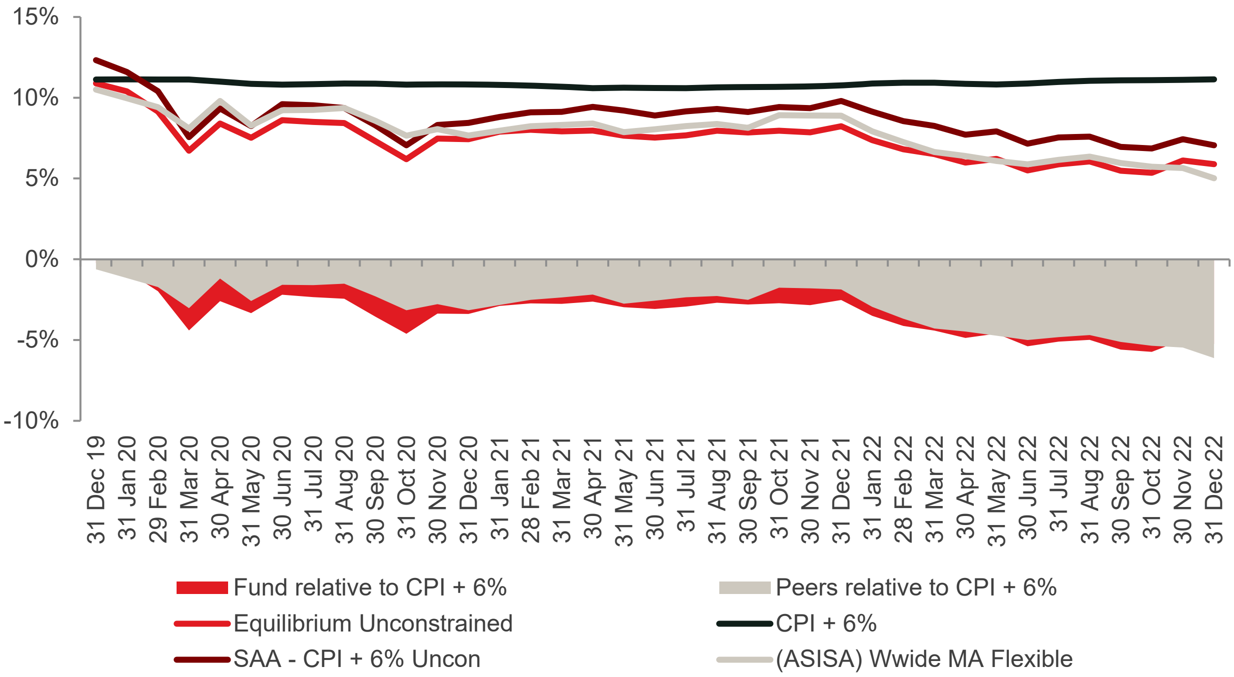
Figure 7.1: Trailing returns as at 31 December 2022*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
Equilibrium Unconstrained	**8.6%**	**8.5%**	**-2.9%**	**7.9%**	**6.2%**	**5.9%**	**7.0%**	**66**
Benchmark: CPI + 6%	2.2%	6.5%	13.5%	11.3%	10.9%	11.1%	10.8%	
SAA	8.0%	7.4%	-2.9%	8.5%	6.5%	7.1%	7.8%	
(ASISA) Wwide MA Flexible	*4.5%*	*5.7%*	*-8.0%*	*6.8%*	*6.4%*	*5.0%*	*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 underperformed its CPI + 6% benchmark by 5.2% p.a. over the 7-year period to 31 December 2022. It outperformed the peer group over the same period.
- The portfolio performed in line with its strategic asset allocation over the last 12 months, net of all investment related fees.

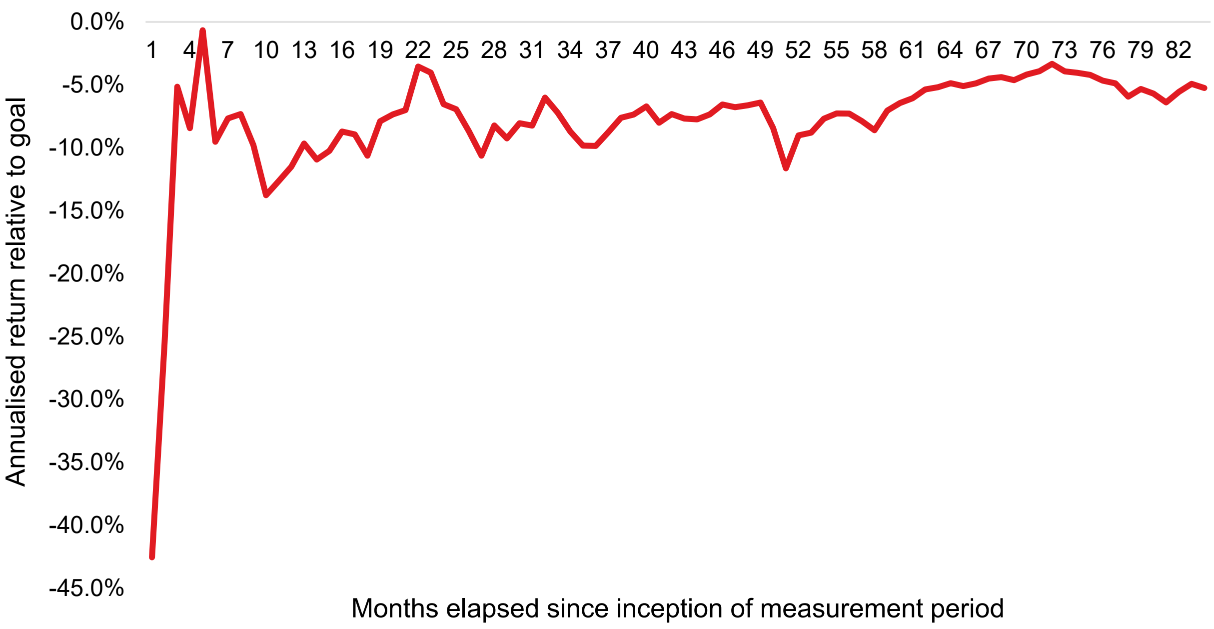
Figure 7.2: Rolling 7-year returns ann.: 10 years to 31 December 2022 *



	Equilibrium Unconstrained	(ASISA) Wwide MA Flexible
Number of observations	37	
Period outperforming	0	0
Realised probability of outperforming	**0%**	0%
Max outperformance p.a.	**-0.2%**	-0.6%
Max underperformance p.a.	**-5.7%**	-6.1%

- Over the last 10 years, neither the portfolio nor the peer group outperformed the benchmark over the rolling 7-year periods.

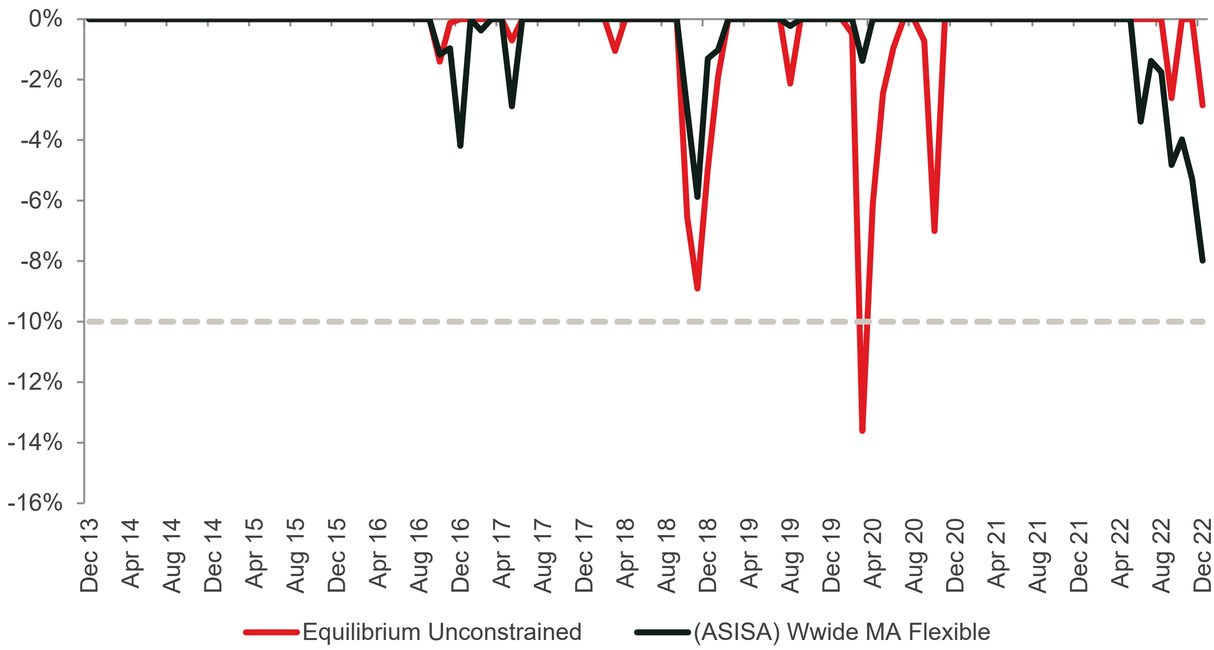
Figure 7.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 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.

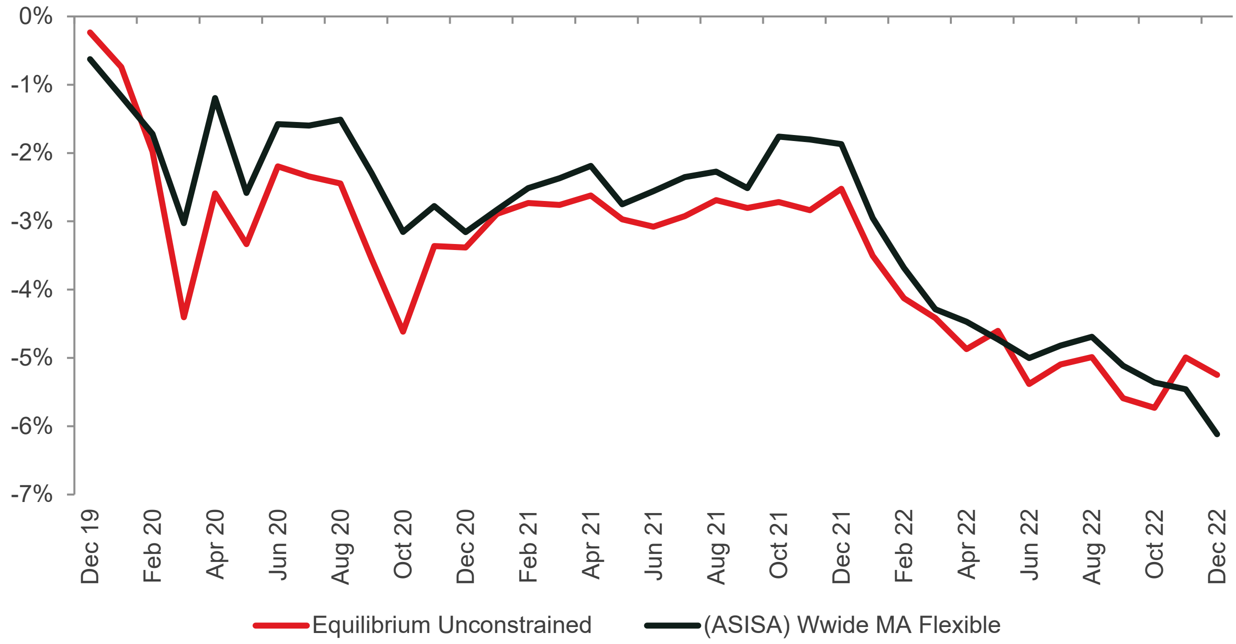
2.7.2. Risk

Figure 7.4: Rolling 1-year absolute drawdown: 10 years to 31 December 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 31 December 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 31 December 2022

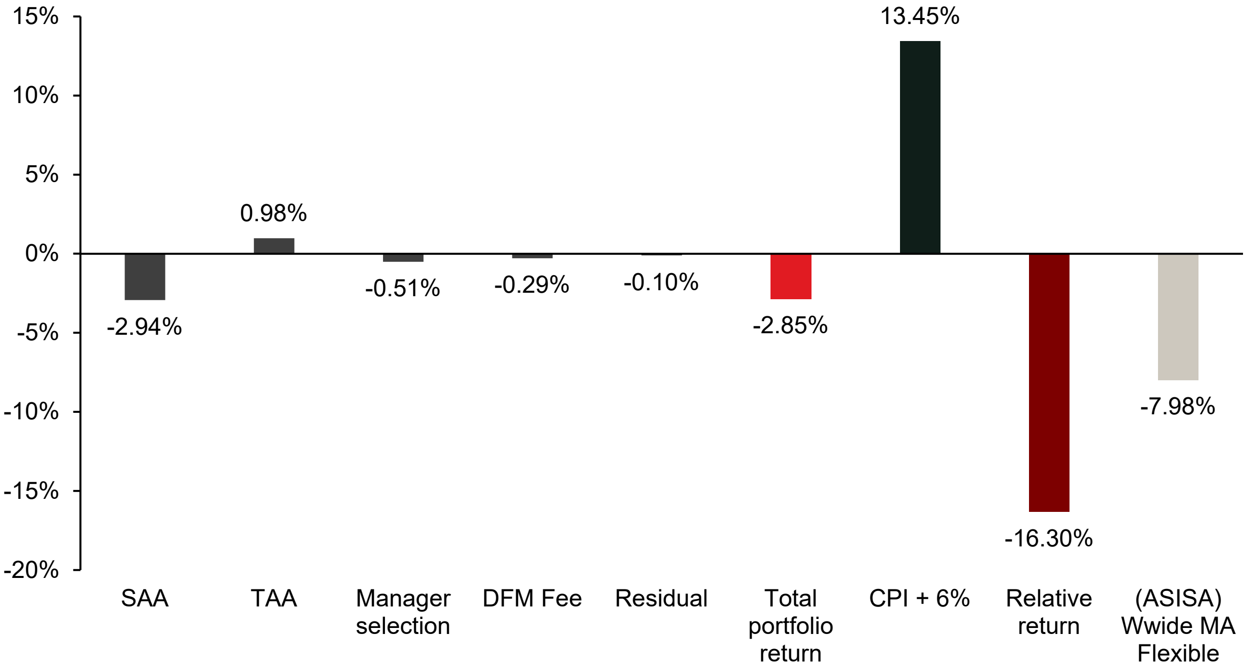


Figure 7.7: Strategic asset allocation effects: 12 months to 31 December 2022

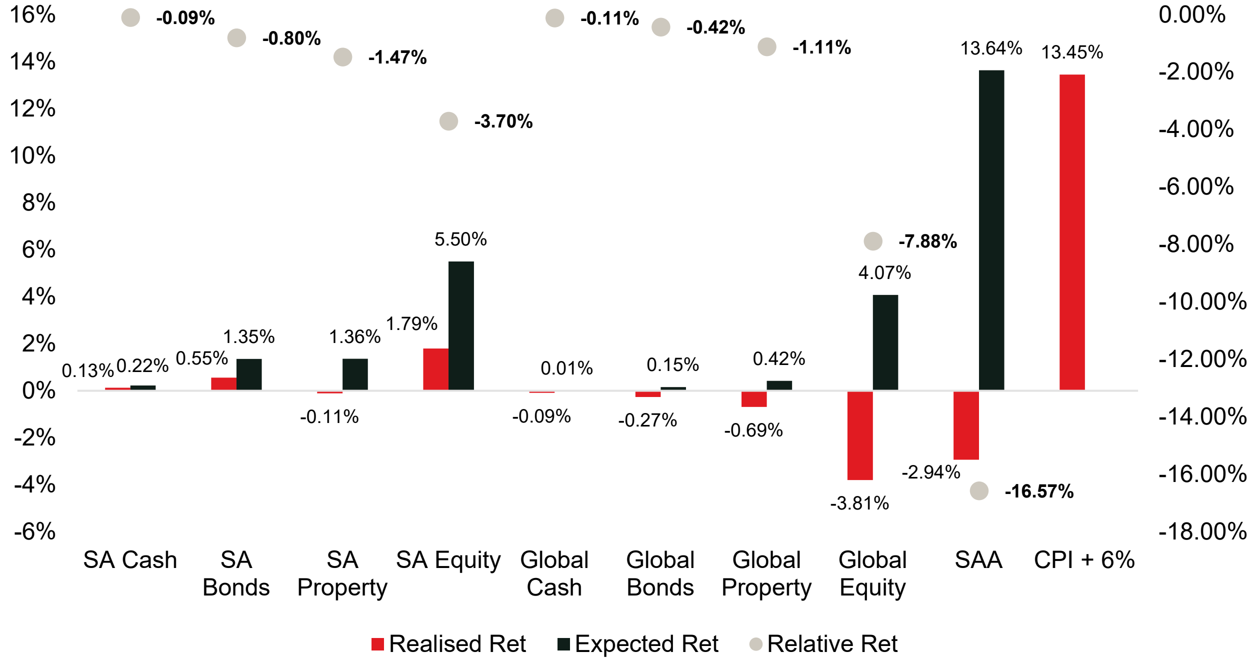


Figure 7.8: Tactical asset allocation effects: 12 months to 31 December 2022

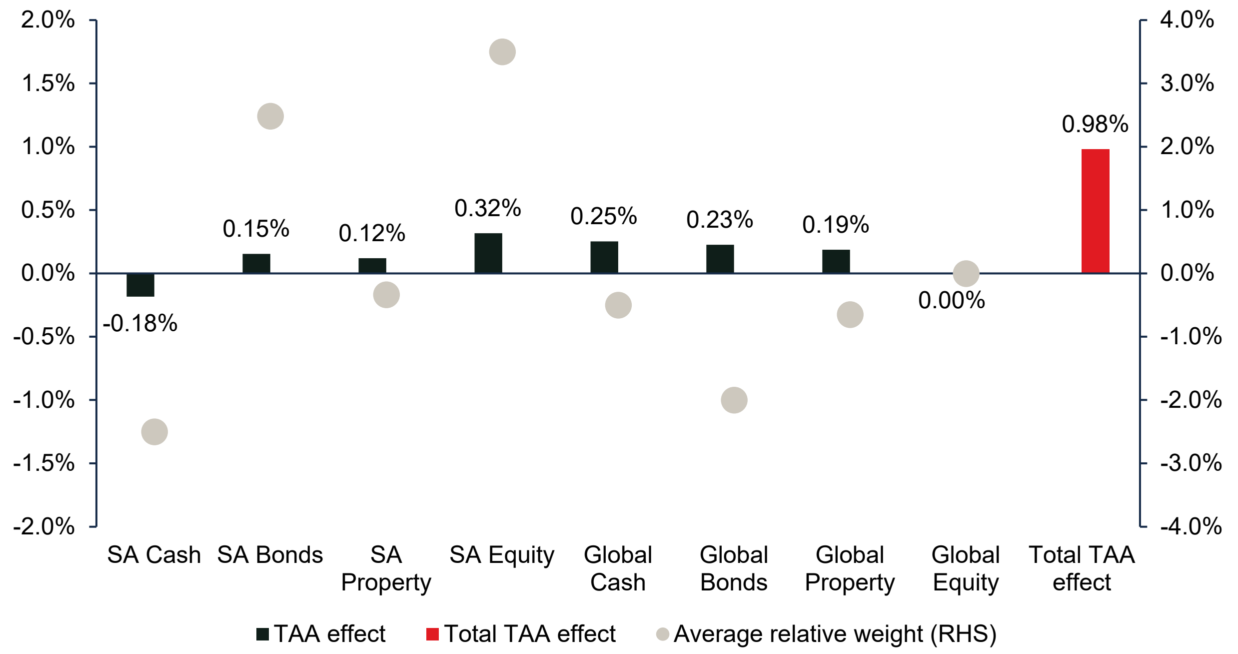


Figure 7.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2022

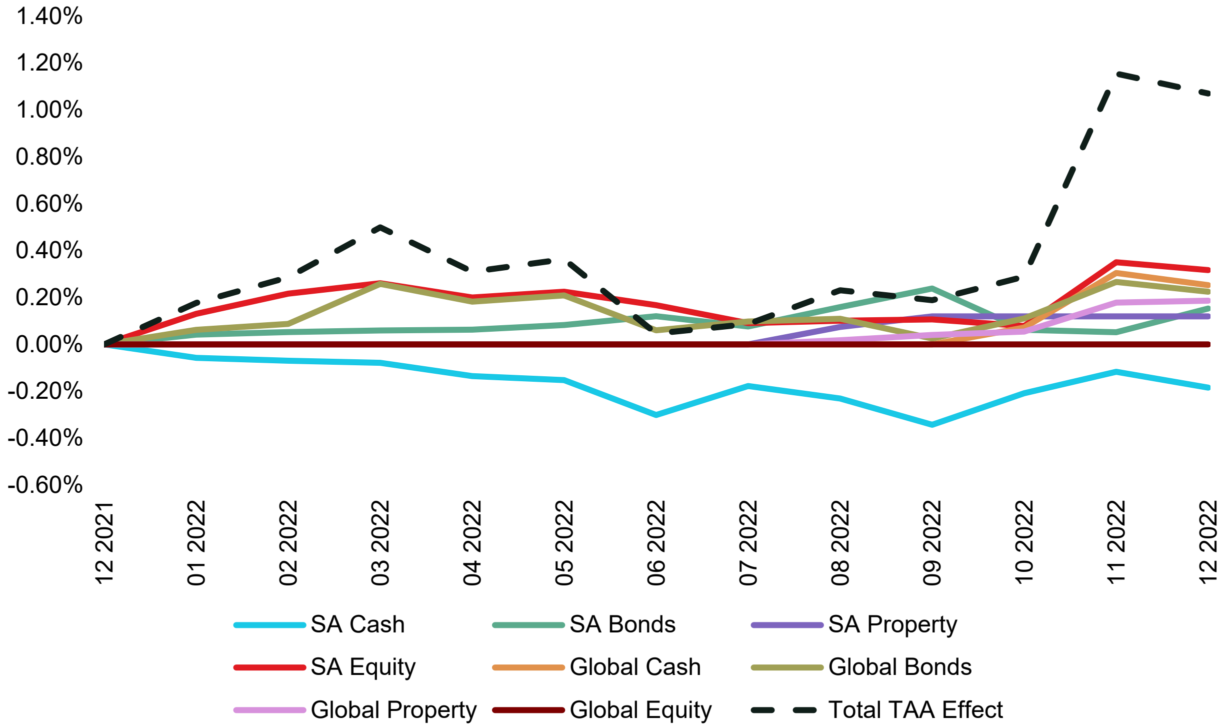


Figure 7.10: Manager selection effects: 12 months to 31 December 2022

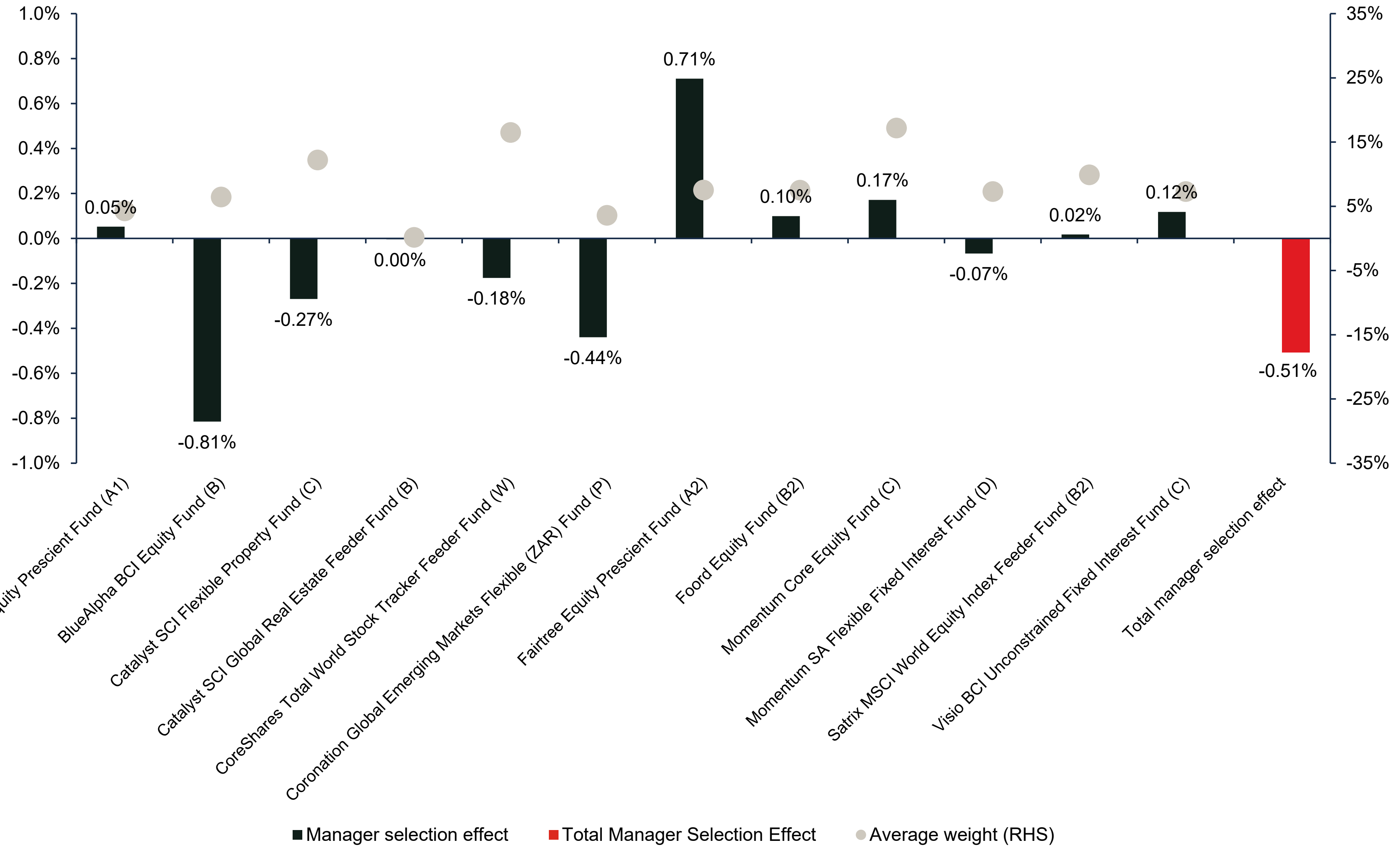
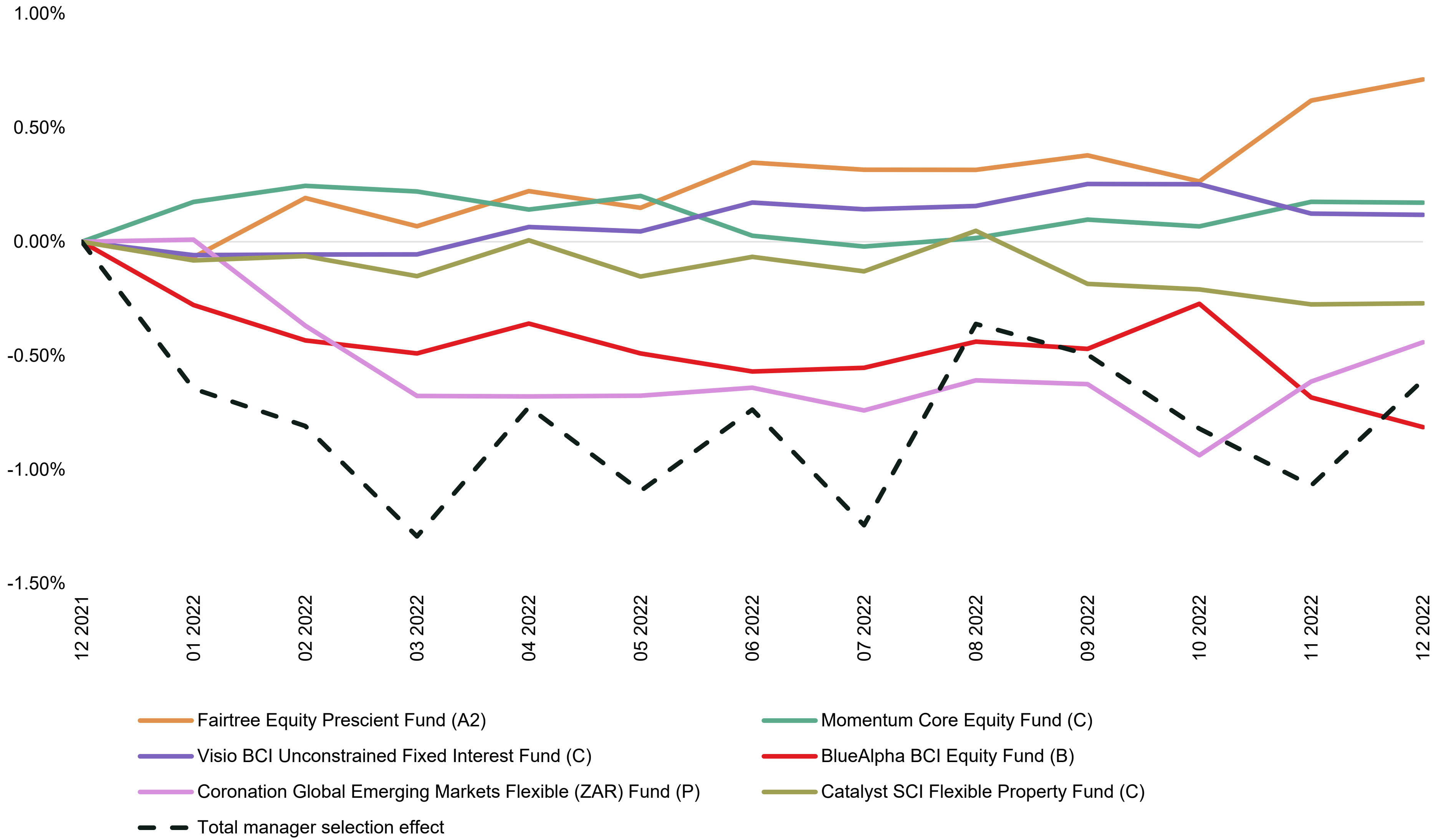


Figure 7.11: Cumulative manager selection effects: 12 months to 31 December 2022



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%

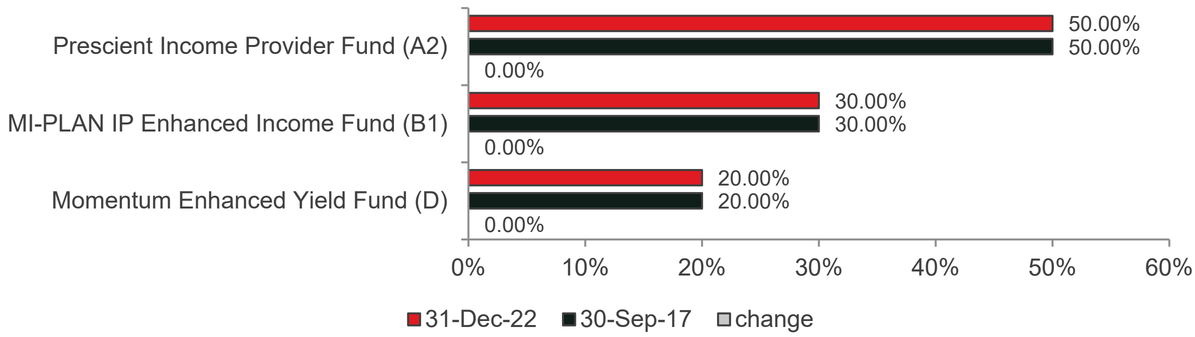
4. Current positioning & portfolio changes

4.1. Asset class house views

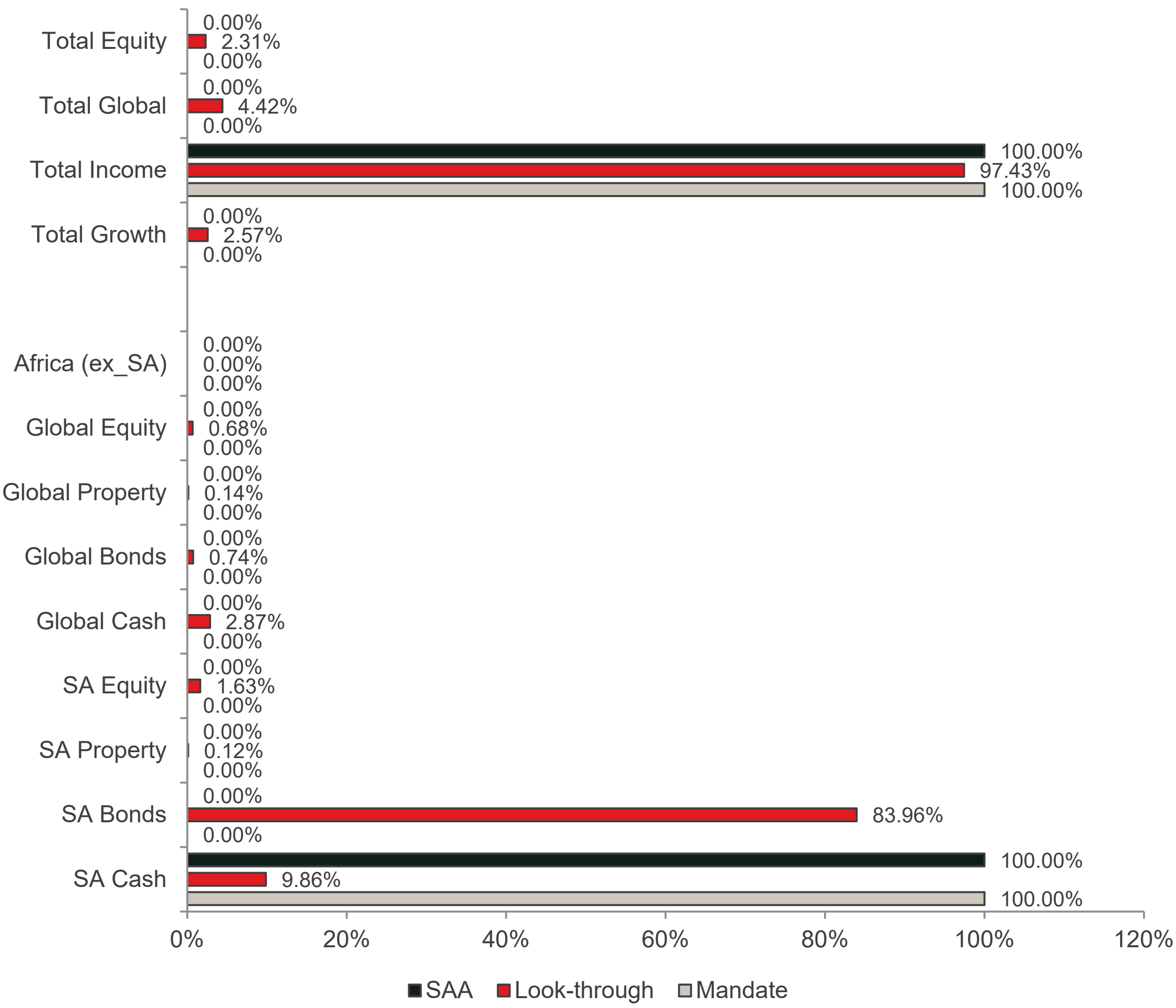
Asset Class	Q3 - 2022	Q4 - 2022
Local		
SA Bonds	Overweight	Overweight
SA Property	Neutral	Neutral
SA Equity	Neutral to Overweight	Neutral to Overweight
Offshore		
Global Cash	Neutral	Neutral
Global Bonds	Neutral	Neutral
Global Equity	Neutral to Underweight	Neutral to Underweight
Global Property	Neutral 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 31 December 2022)

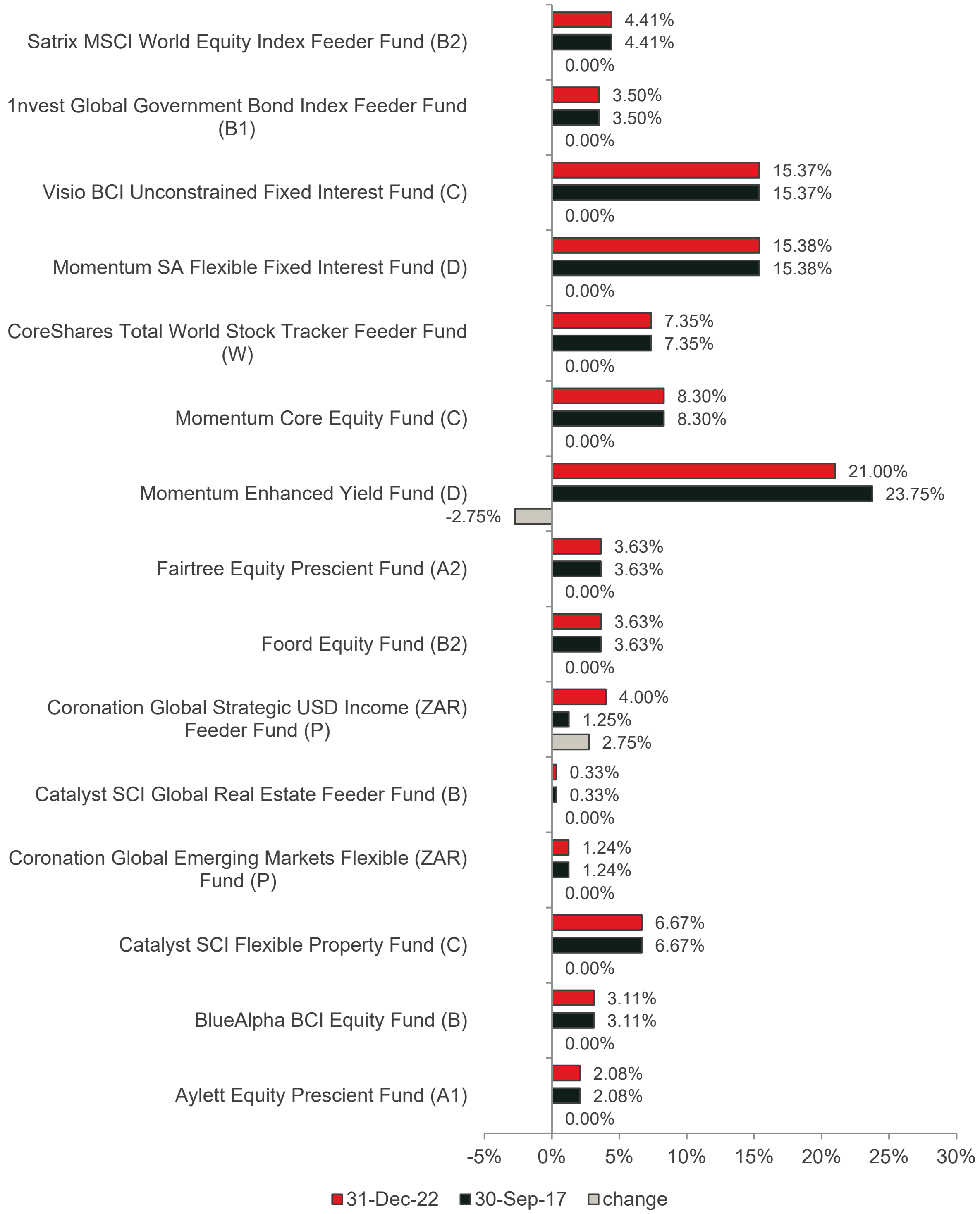


4.2.3. Portfolio changes

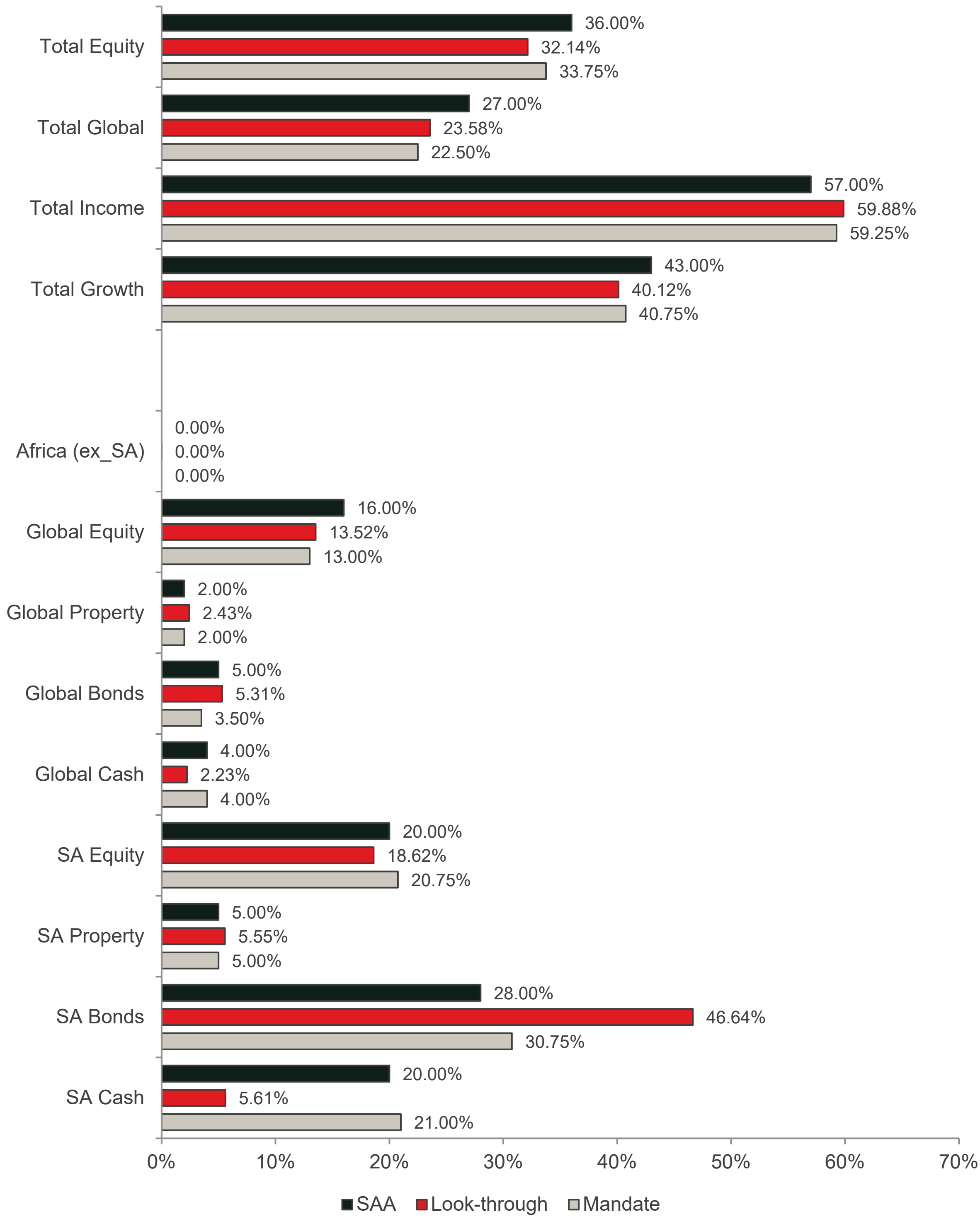
- No changes were made. The portfolio was rebalanced back to ideal allocations.

4.3. Equilibrium Conservative Portfolio

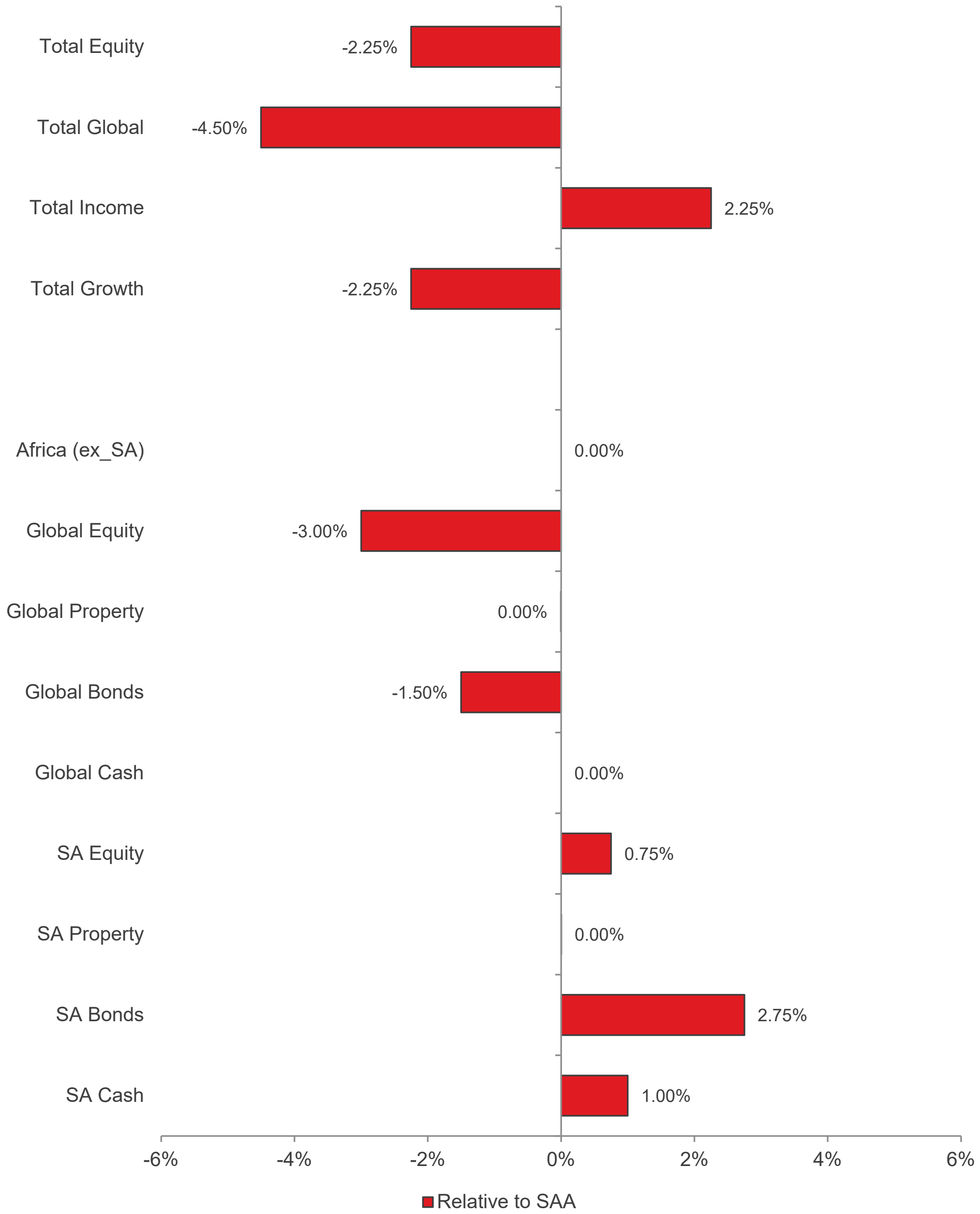
4.3.1. Building block allocation



4.3.2. Asset allocation as at 31 December 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:

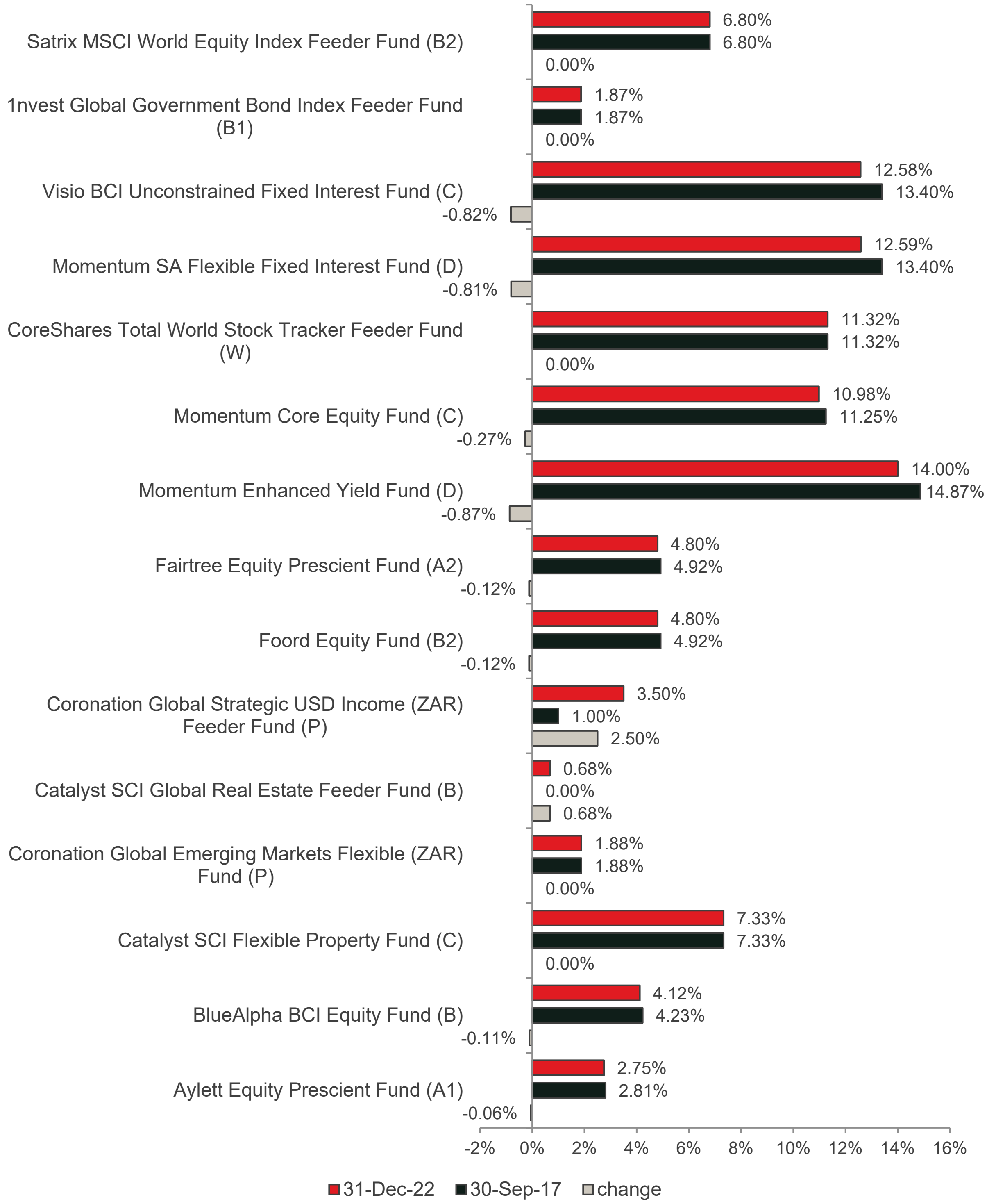
- Increased global bonds by 1.50%
- Decreased local cash by 1.50%

The changes at a fund level were as follows:

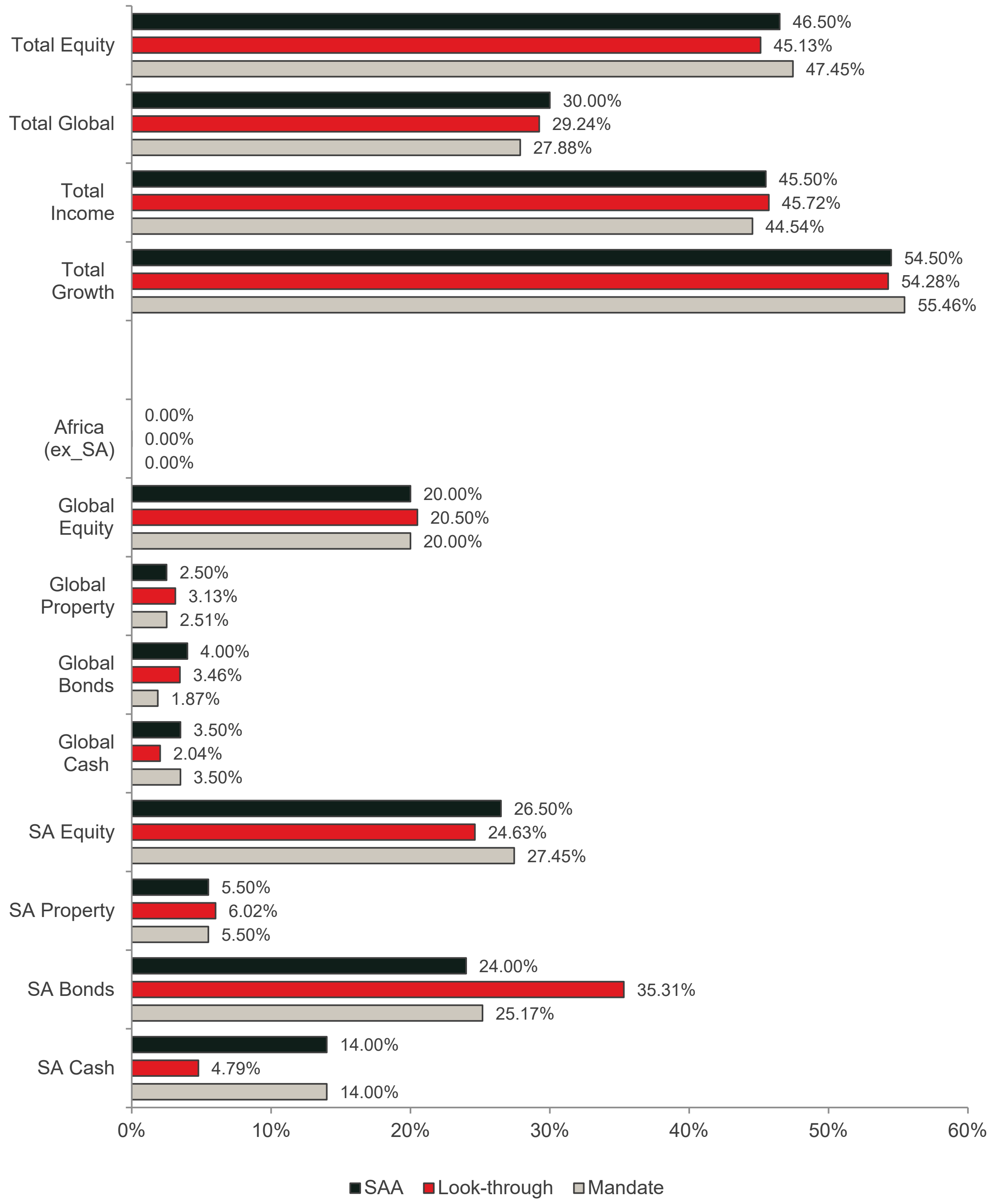
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.08%	**2.08%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	7.35%	**7.35%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	3.50%	**5.00%**	1.50%
Fairtree Equity Prescient Fund (A2)	3.63%	**3.63%**	0.00%
Foord Equity 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)	21.00%	**19.50%**	-1.50%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	4.00%	**4.00%**	0.00%
	100.00%	100.00%	0.00%

4.4. Equilibrium Stable Portfolio

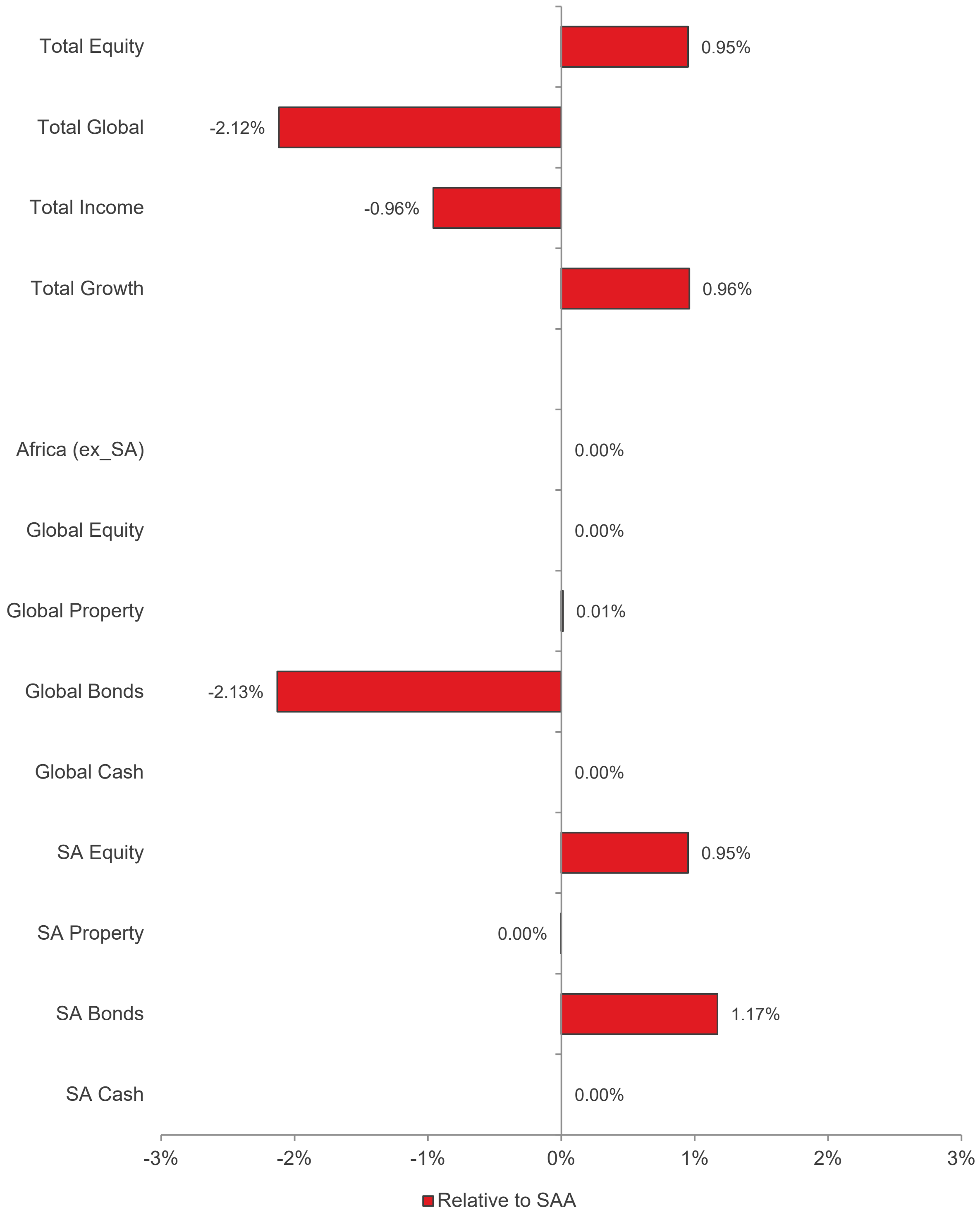
4.4.1. Building block allocation



4.4.2. Asset allocation as at 31 December 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:

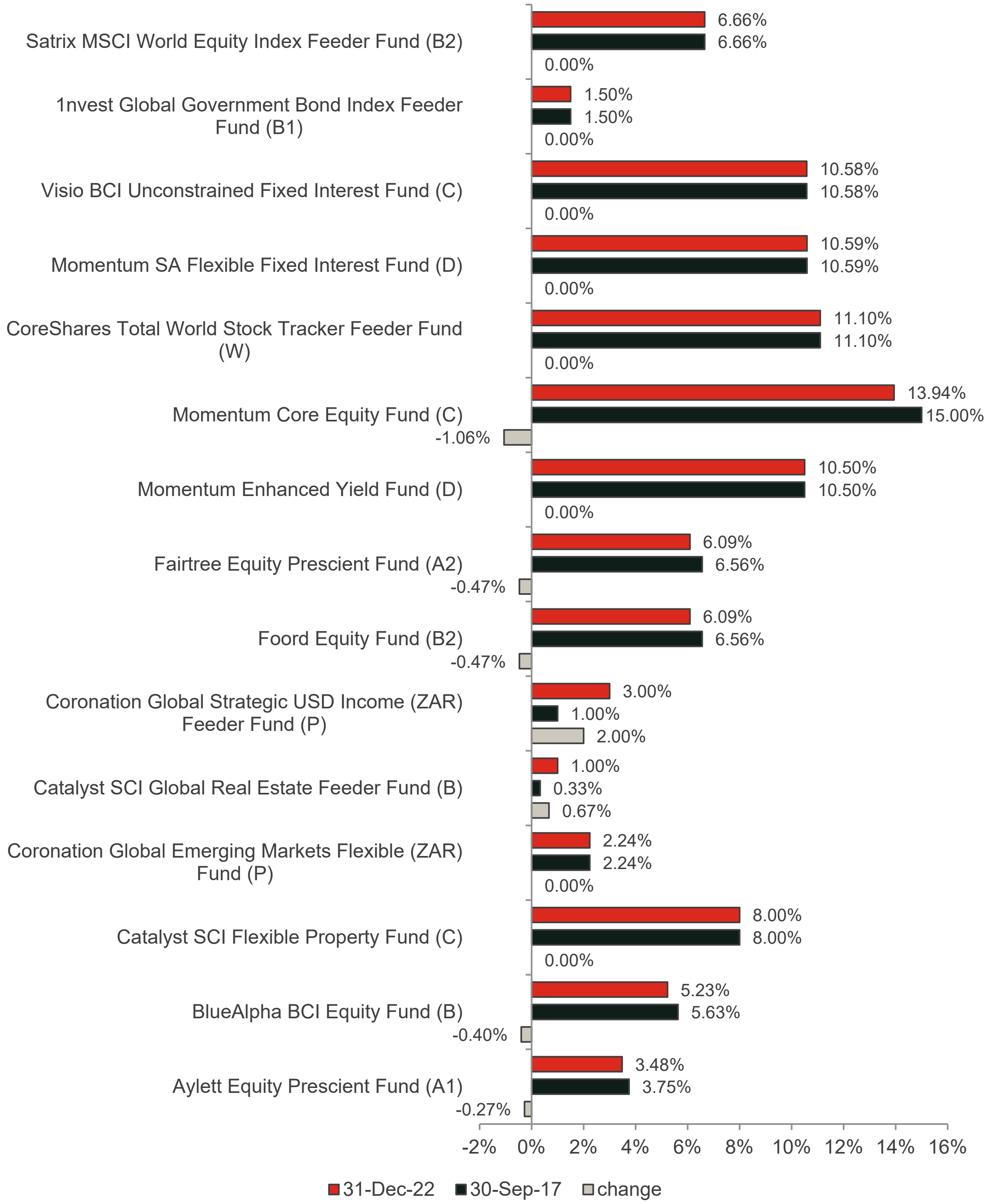
- Increased global bonds by 2.13%
- Increased local bonds by 1.07%
- Decreased global equities by 1.13%
- Decreased local cash by 2.07%

The changes at a fund level were as follows:

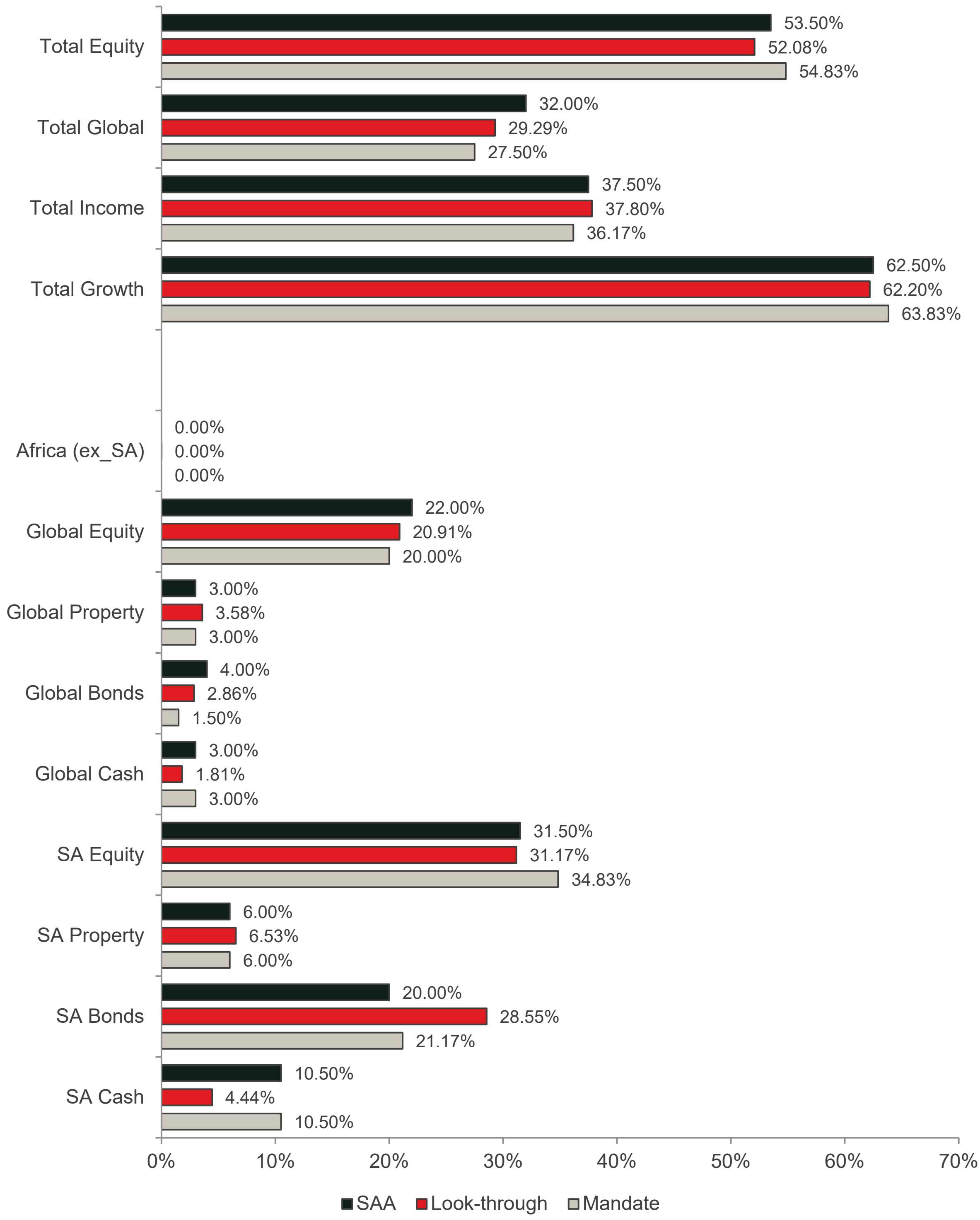
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.75%	**2.75%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.80%	**6.80%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.88%	**1.88%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.32%	**10.19%**	-1.13%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.87%	**4.00%**	2.13%
Fairtree Equity Prescient Fund (A2)	4.80%	**4.80%**	0.00%
Foord Equity Fund (B2)	4.80%	**4.80%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	12.58%	**13.12%**	0.54%
Momentum Core Equity Fund (C)	10.98%	**10.98%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	12.59%	**13.12%**	0.53%
BlueAlpha BCI Equity Fund (B)	4.12%	**4.12%**	0.00%
Catalyst SCI Flexible Property Fund (C)	7.33%	**7.33%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.68%	**0.68%**	0.00%
Momentum Enhanced Yield Fund (D)	14.00%	**11.93%**	-2.07%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	3.50%	**3.50%**	0.00%
	100.00%	100.00%	0.00%

4.5. Equilibrium Moderate Portfolio

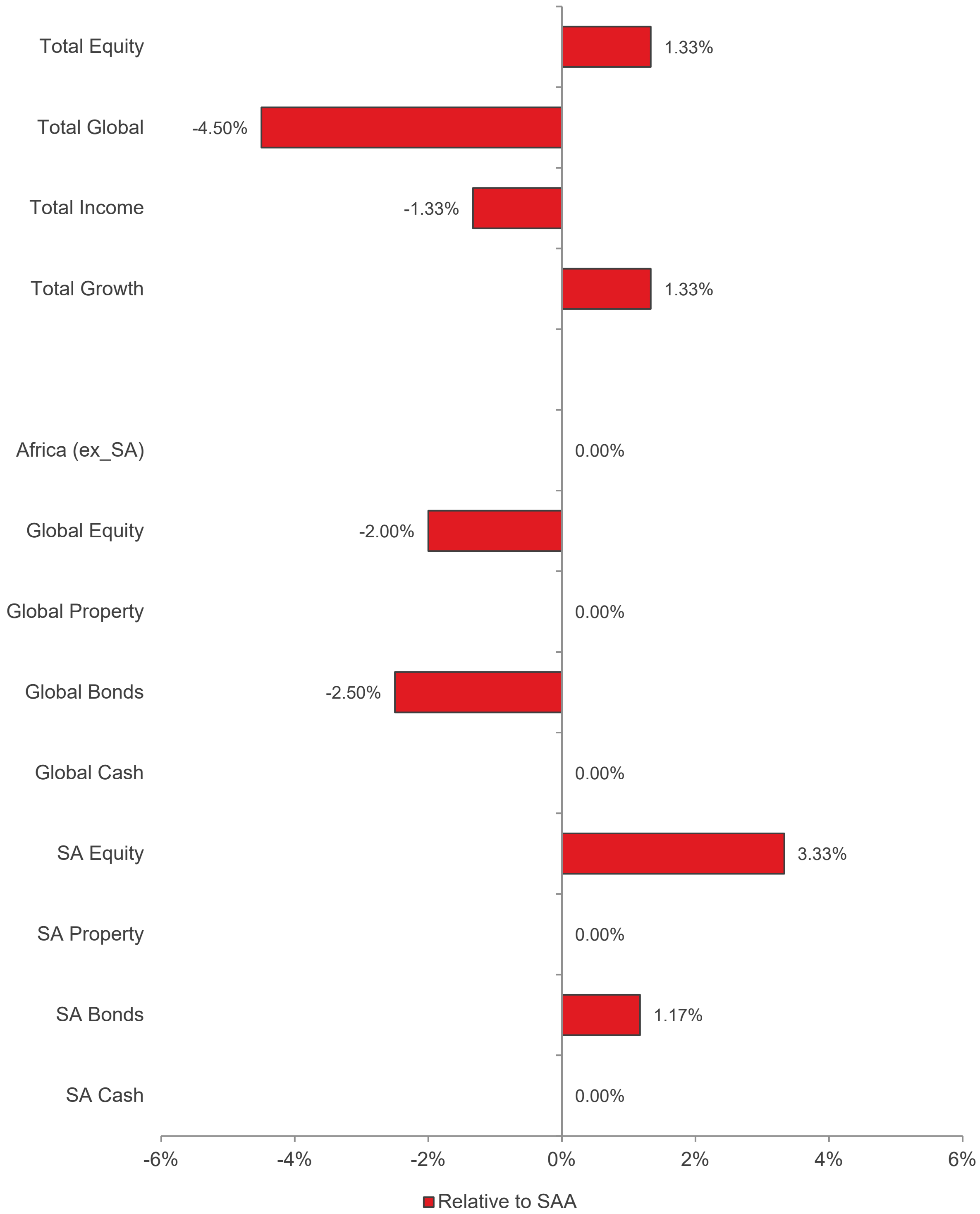
4.5.1. Building block allocation



4.5.2. Look-through asset allocation (as at 31 December 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:

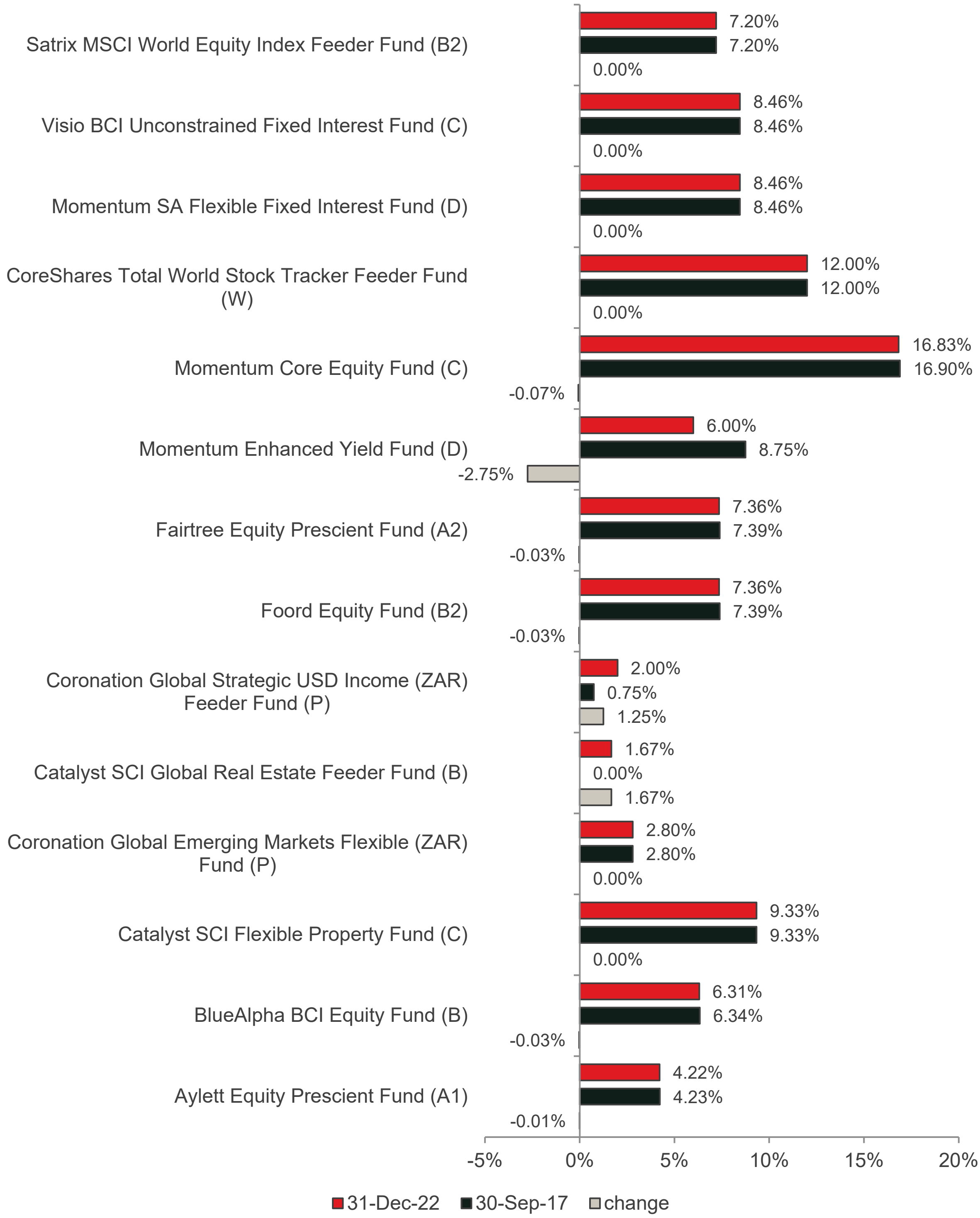
- Increased global bonds by 2.50%
- Increased local bonds by 1.83%
- Decreased local cash by 2.50%
- Decreased local equities by 1.83%

The changes at a fund level were as follows:

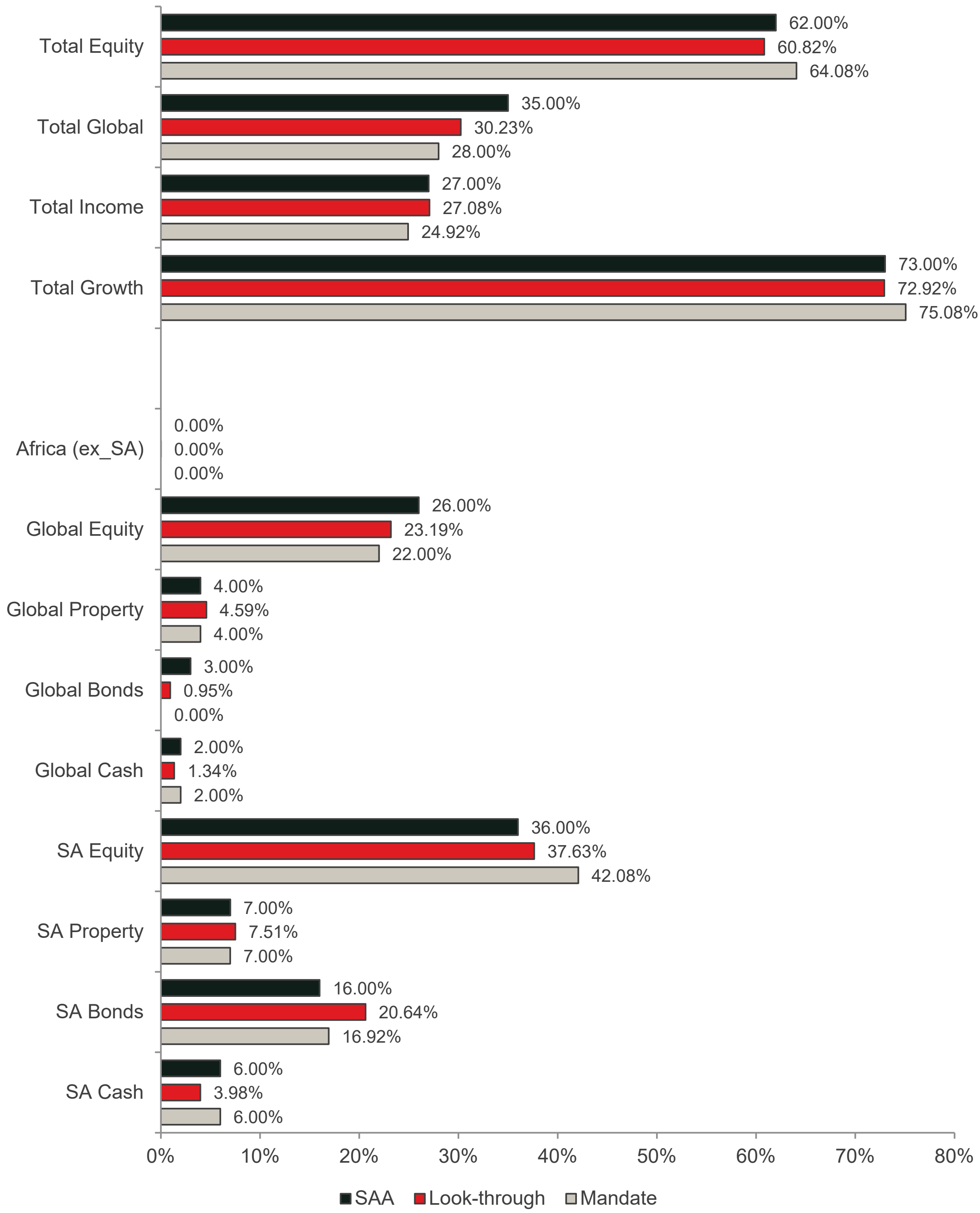
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.48%	**3.30%**	-0.18%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.66%	**6.66%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.24%	**2.24%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	11.10%	**11.10%**	0.00%
Fairtree Equity Prescient Fund (A2)	6.09%	**5.77%**	-0.32%
Foord Equity Fund (B2)	6.09%	**5.77%**	-0.32%
Visio BCI Unconstrained Fixed Interest Fund (C)	10.58%	**11.50%**	0.92%
Momentum Core Equity Fund (C)	13.94%	**13.22%**	-0.72%
Momentum SA Flexible Fixed Interest Fund (D)	10.59%	**11.50%**	0.91%
BlueAlpha BCI Equity Fund (B)	5.23%	**4.94%**	-0.29%
Catalyst SCI Flexible Property Fund (C)	8.00%	**8.00%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	1.00%	**1.00%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.50%	**4.00%**	2.50%
Momentum Enhanced Yield Fund (D)	10.50%	**8.00%**	-2.50%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	3.00%	**3.00%**	0.00%
	100.00%	100.00%	0.00%

4.6. Equilibrium Balanced Portfolio

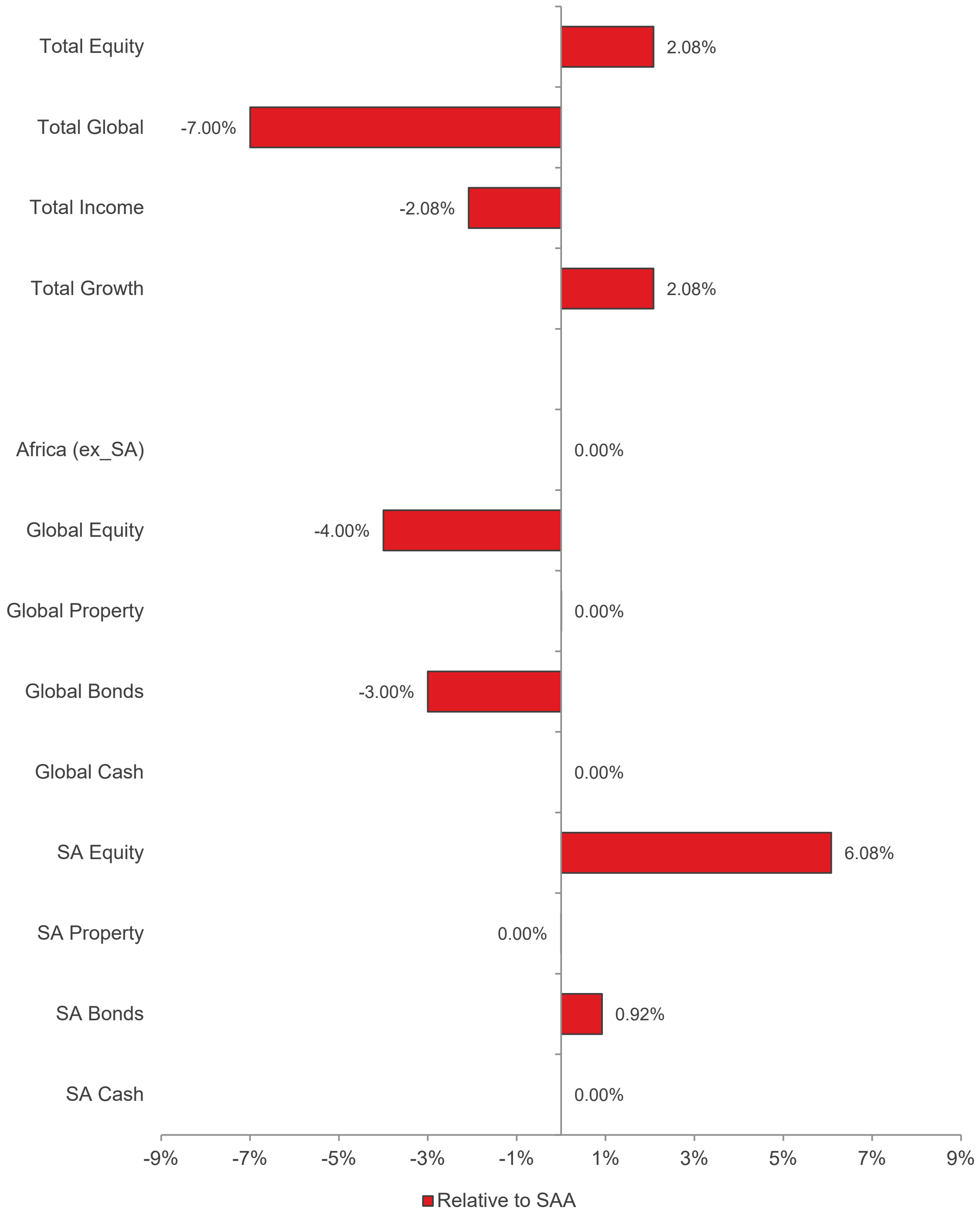
4.6.1. Building block allocation



4.6.2. Look-through asset allocation (as at 31 December 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:

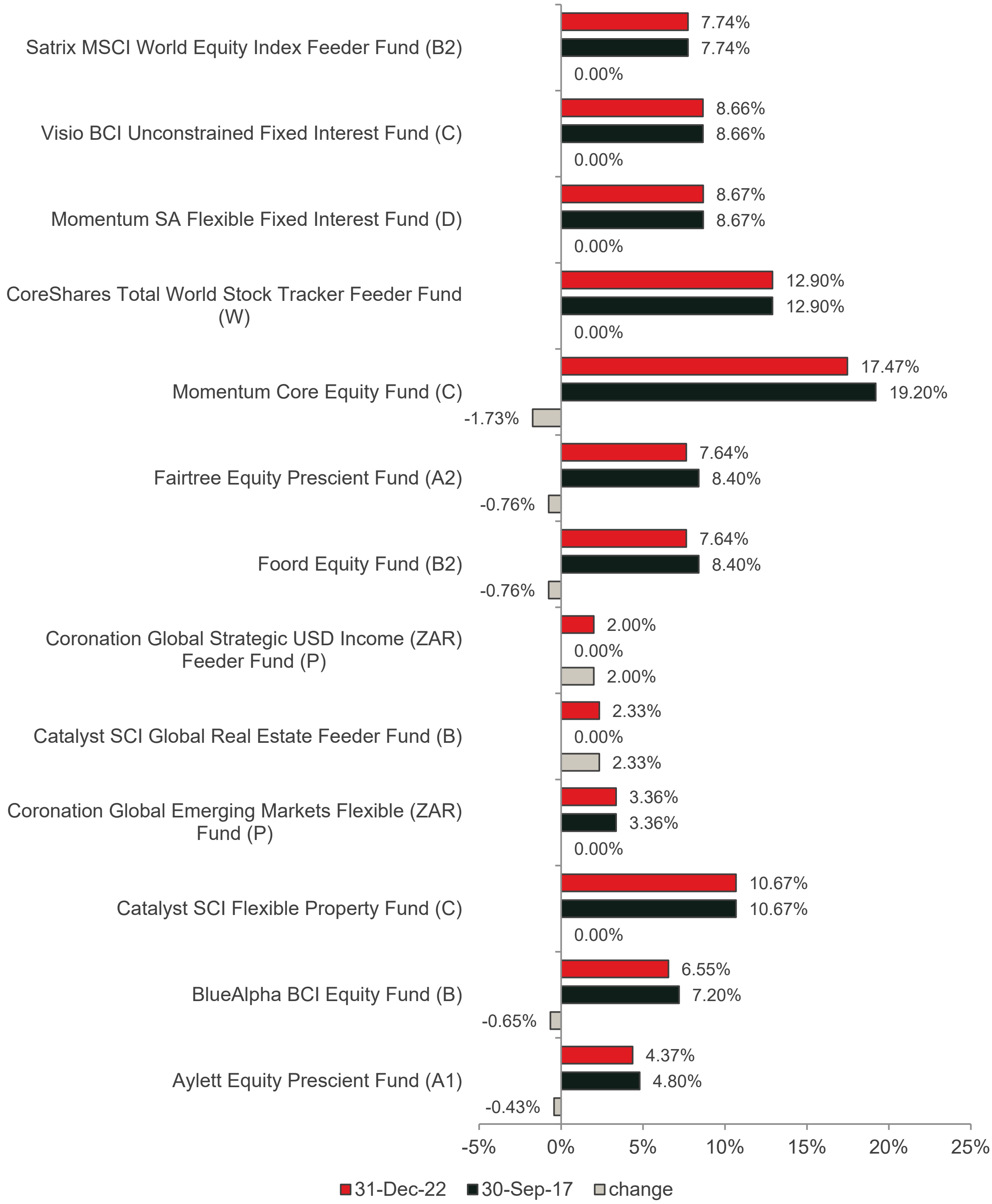
- Increased global bonds by 3.00%
- Increased local bonds by 3.08%
- Decreased local cash by 2.25%
- Decreased local equities by 3.83%

The changes at a fund level were as follows:

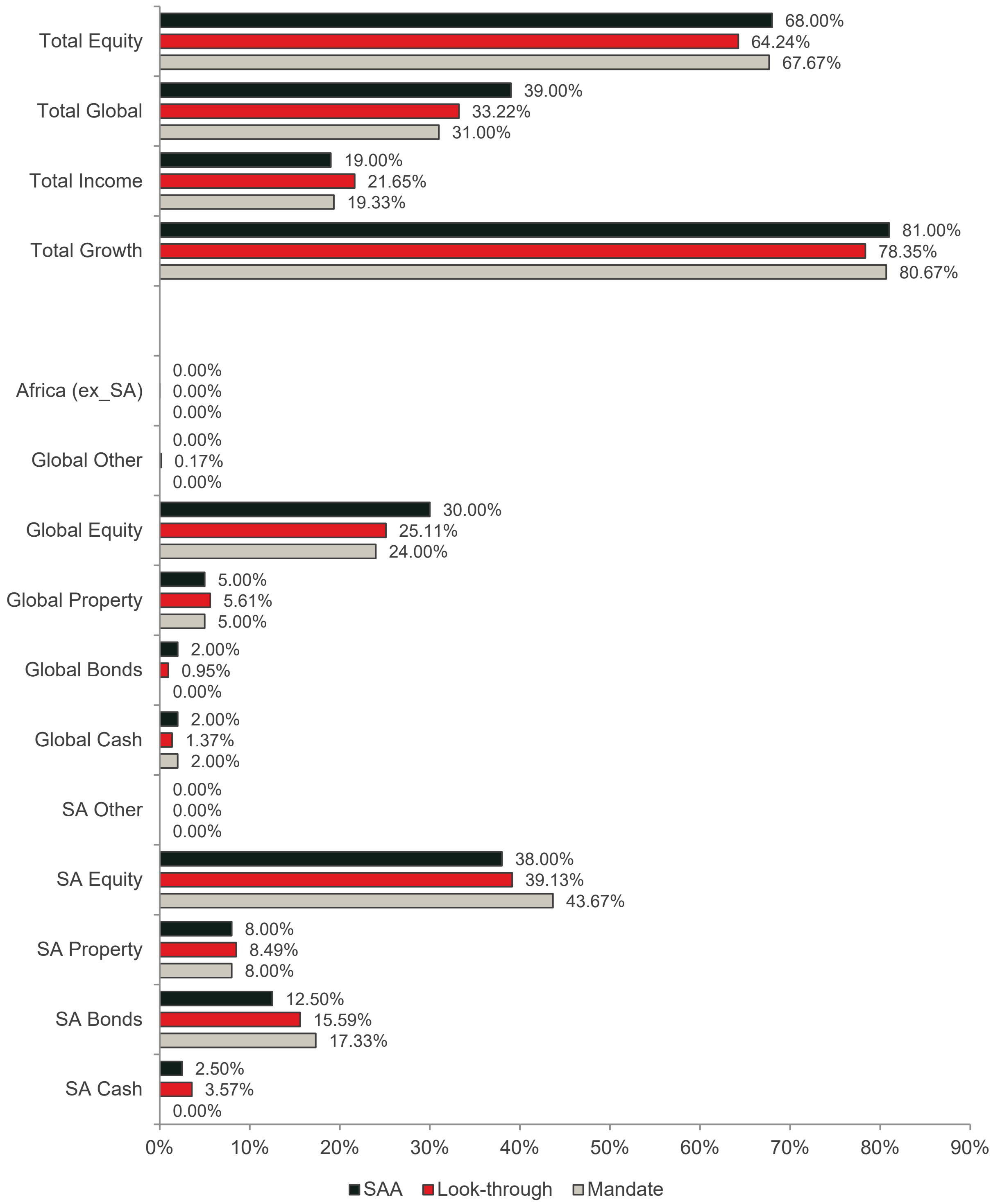
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.22%	**3.84%**	-0.38%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.20%	**7.20%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.80%	**2.80%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.00%	**12.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.36%	**6.69%**	-0.67%
Foord Equity Fund (B2)	7.36%	**6.69%**	-0.67%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.46%	**10.00%**	1.54%
Momentum Core Equity Fund (C)	16.83%	**15.30%**	-1.53%
Momentum SA Flexible Fixed Interest Fund (D)	8.46%	**10.00%**	1.54%
BlueAlpha BCI Equity Fund (B)	6.31%	**5.73%**	-0.58%
Catalyst SCI Flexible Property Fund (C)	9.33%	**9.33%**	0.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	1.67%	**1.67%**	0.00%
Momentum Enhanced Yield Fund (D)	6.00%	**3.75%**	-2.25%
1NVEST Global Government Bond Index Feeder Fund (B1)	0.00%	**3.00%**	3.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	2.00%	**2.00%**	0.00%
	100.00%	100.00%	0.00%

4.7. Equilibrium Growth Portfolio

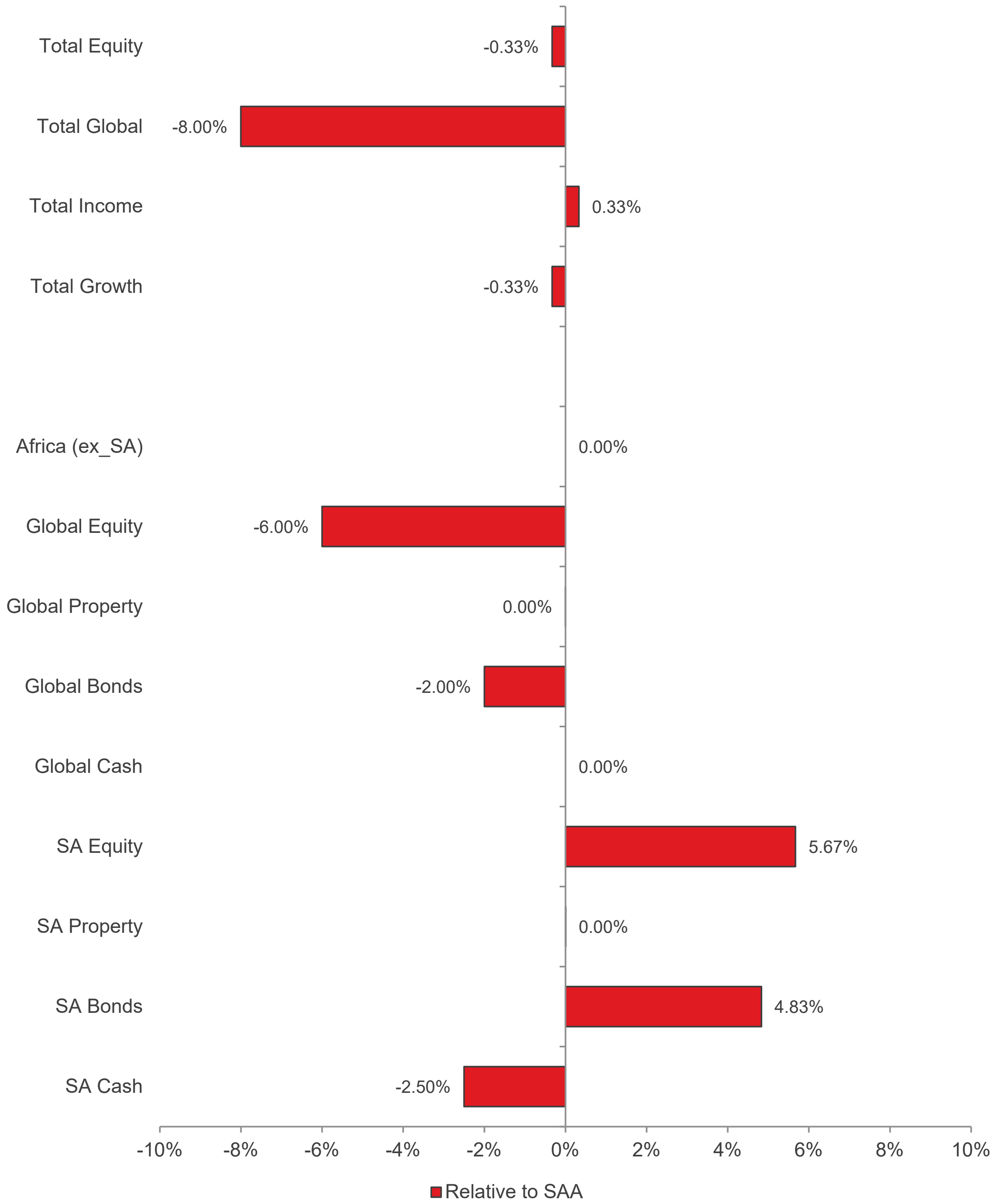
4.7.1. Building block allocation



4.7.2. Asset allocation (as at 31 December 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:

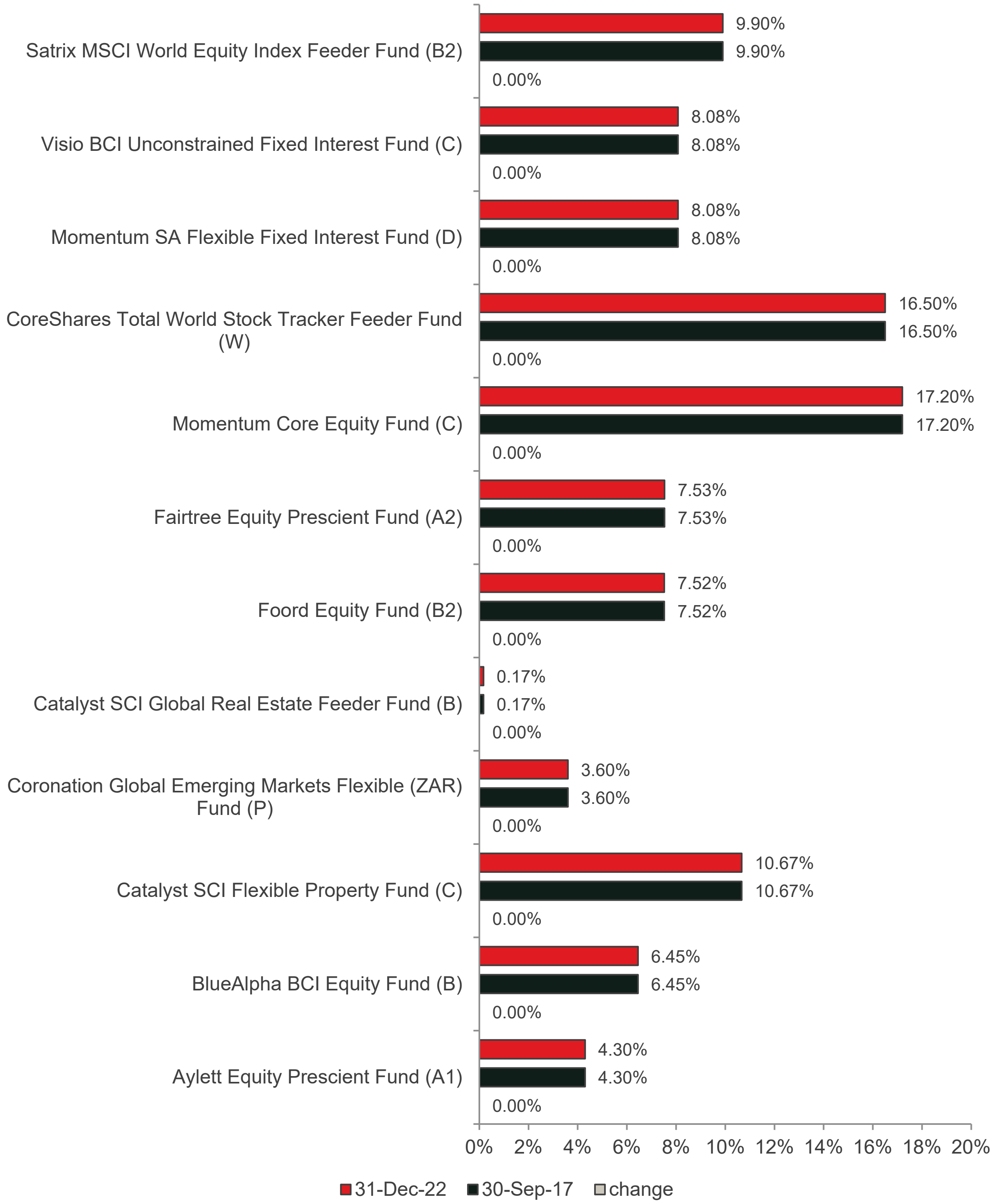
- Increased global bonds by 2.00%
- Increased local bonds by 0.67%
- Decreased local equities by 2.67%

The changes at a fund level were as follows:

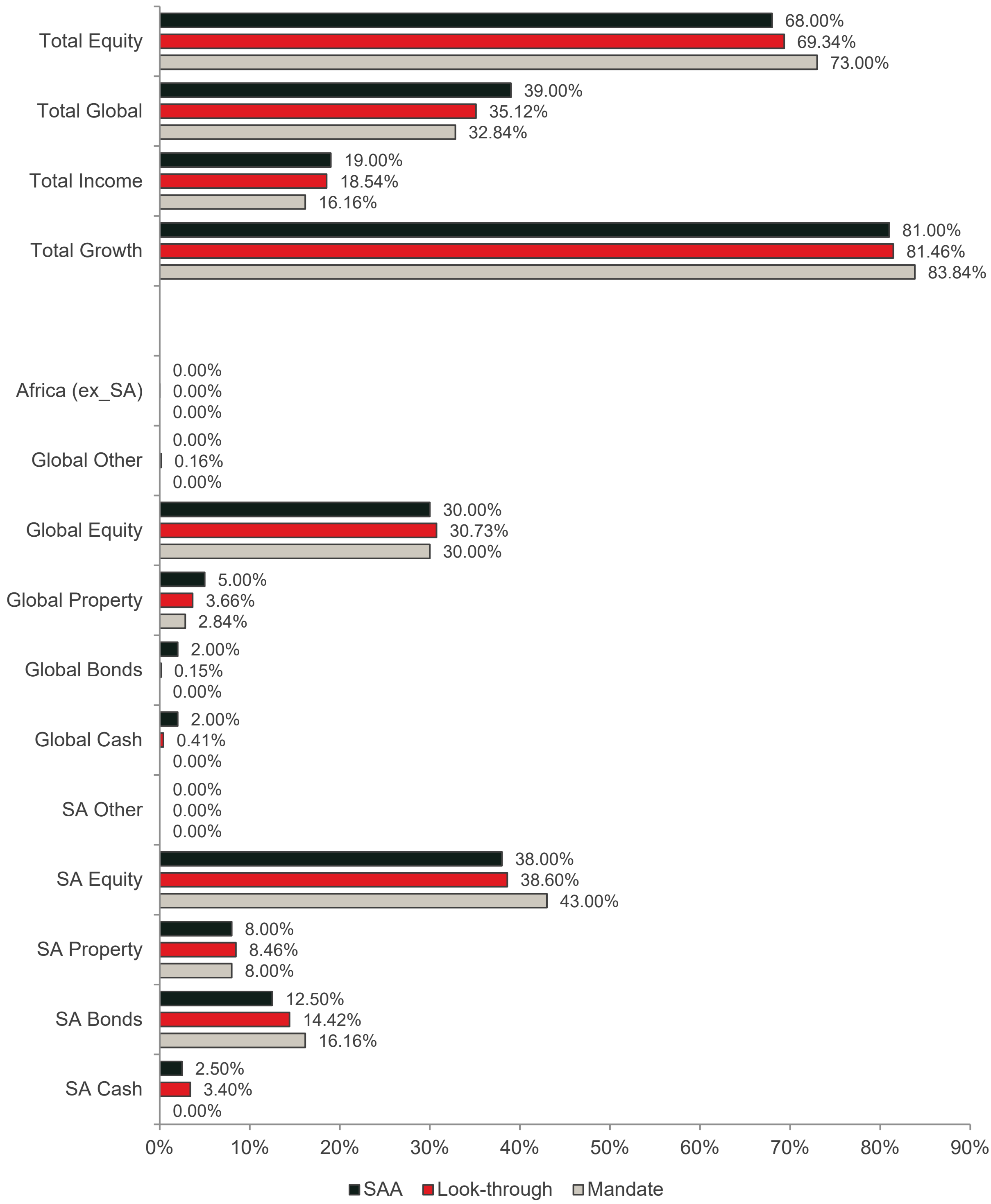
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.37%	**4.10%**	-0.27%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.74%	**7.74%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.36%	**3.36%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.90%	**12.90%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.64%	**7.17%**	-0.47%
Foord Equity Fund (B2)	7.64%	**7.17%**	-0.47%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.66%	**9.00%**	0.34%
Momentum Core Equity Fund (C)	17.47%	**16.40%**	-1.07%
Momentum SA Flexible Fixed Interest Fund (D)	8.67%	**9.00%**	0.33%
BlueAlpha BCI Equity Fund (B)	6.55%	**6.16%**	-0.39%
Catalyst SCI Global Real Estate Feeder Fund (B)	2.33%	**2.33%**	0.00%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	2.00%	**2.00%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	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

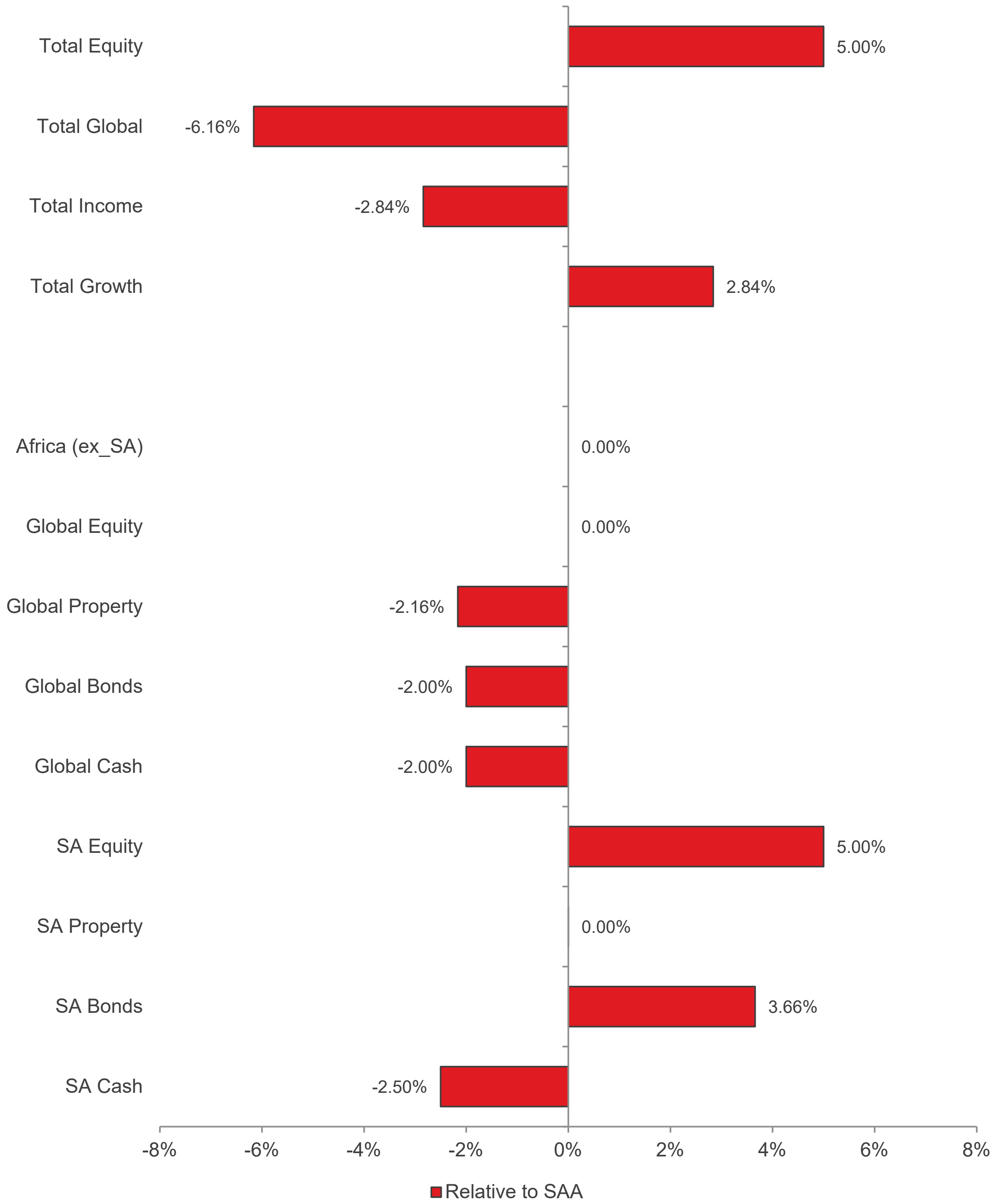
4.8.1. Building block allocation



4.8.2. Look-through asset allocation (as at 31 December 2022)



4.8.3. Look-through asset allocation: Relative to SAA



4.8.4. 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:

- Increased global bonds by 2.00%
- Increased global property by 1.66%
- Increased local bonds by 1.34%
- Decreased global equities by 3.00%
- Decreased local equities by 2.00%

The changes at a fund level were as follows:

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.30%	**4.10%**	-0.20%
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%	**13.50%**	-3.00%
Fairtree Equity Prescient Fund (A2)	7.53%	**7.18%**	-0.35%
Foord Equity Fund (B2)	7.52%	**7.17%**	-0.35%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.08%	**8.75%**	0.67%
Momentum Core Equity Fund (C)	17.20%	**16.40%**	-0.80%
Momentum SA Flexible Fixed Interest Fund (D)	8.08%	**8.75%**	0.67%
BlueAlpha BCI Equity Fund (B)	6.45%	**6.15%**	-0.30%
Catalyst SCI Flexible Property Fund (C)	10.67%	**10.67%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	0.00%	**2.00%**	2.00%
Catalyst SCI Global Real Estate Feeder Fund (B)	0.17%	**1.83%**	1.66%
	100.00%	100.00%	0.00%

5. Appendices

5.1. Glossary

- **Asset allocation as at 31 December 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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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.

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Sources: Momentum Investments and Morningstar.