MCAA Houseview Lifestage investment report

September 2023

momentum corporate

Economies at a Glance

September 2023

UNITED STATES

After a robust sprint last year, the United States (US) labour market is now experiencing more modest gains as supply aligns with demand and several sectors reach full employment. The unemployment rate, factoring in discouraged workers and those in part-time roles due to economic reasons, climbed to 7.1% in August - the highest since May 2022. Additionally, average hourly earnings fell short of projections, indicating a dip in inflationary pressures and reflecting the impact of previous rate hikes. Despite this, the Federal Reserve's (Fed) 'dot plot' foresees one more hike in 2023 and only 50 basis points (bps) of easing in 2024, down from 100 bps projected in June 2023. Yet, even in this scenario of prolonged high rates, the Fed envisions core PCE inflation hitting the 2% target only by 2026. Consequently, policymakers are resisting an earlier market rate repricing, which could prematurely ease financial conditions before inflation is tamed.

Forecast 2023:
GDP: **2.1%**
Core PCE Inflation: **4%**
Forecast 2024:
GDP: **0.9%**
Core PCE Inflation: **2.5%**

EUROZONE

The European Union's (EU) €300 billion Global Gateway Strategy has advanced with the introduction of the India-Middle East-Europe Economic Corridor (IMEC). This trade route connecting India to Europe through the Middle East presents an opportunity for the EU to bolster its geo-economic influence in the Gulf. The IMEC project encompasses the development of ship-to-rail transit networks as well as telecommunication and energy linkages. European Commission President Ursula von der Leyen emphasized the trade benefits of this corridor during her State of the Union address, alongside advocating for collaboration with legitimate governments and regional entities. Additionally, she touched on various global issues, including Ukraine, climate change, China, irregular immigration and EU expansion, while showcasing her achievements, spurring market expectations of her seeking a second mandate.

Forecast 2023:
GDP: **0.5%**
HICP Inflation: **5.4%**
Forecast 2024:
GDP: **0.7%**
HICP Inflation: **2.5%**

UNITED KINGDOM

Acknowledging the shortfall in failing to anticipate the recent inflation surge, the Bank of England (BoE) has enlisted former Fed chairman Ben Bernanke to review its forecasting models for both inflation and GDP growth. Bernanke attributes the UK's unique inflationary experience to a "complex constellation of shocks", including significant supply chain issues. These unforeseen shocks have increased uncertainty about their impact on the economy, with the BoE forecasting growth of only 0.5% for 2024 and 0.25% in 2025. In a surprise move, the BoE kept interest rates steady in September with a close 5-4 vote split. Despite a sixth consecutive drop in headline inflation in August, it remains elevated at 6.7%. The BoE anticipates inflation hitting the 2% target by the second quarter of 2025, leaving market forecasters projecting the first interest rate cut only by the third quarter of 2024.

Forecast 2023:
GDP: **0.3%**
Inflation: **7.3%**
Forecast 2024:
GDP: **0.4%**
Inflation: **3%**

JAPAN

The Indo-Pacific strategy, initially proposed by former Japanese Prime Minister Shinzo Abe and further detailed by US Presidents Donald Trump and Joe Biden, is gaining traction as a significant geopolitical concept challenging the traditional Asia-Pacific order. It emphasises collective defense, exclusive alliances and encourages near-shoring to reduce dependence on China. Japan's recent support to Sri Lanka underscores this approach, sending a clear message to China. The Quad Alliance, comprising Japan, the US, India, and Australia, advocates for free and open trade, countering China's expanding military presence in the resource-rich region. Moreover, the renewed trilateral cooperation involving the US, South Korea and Japan extends to cooperation with Pacific Island states, as demonstrated by the August Camp David summit, where leaders affirmed their commitment to bolstering regional architecture and prioritising maritime cooperation.

Forecast 2023:
GDP: **1.8%**
Inflation: **3.1%**
Forecast 2024:
GDP: **0.8%**
Inflation: **2.1%**

CHINA

According to the Financial Times, China's equity market listings (amounting to US$41 billion) have accounted for nearly half of the global total year to date. This is in spite of China's equity market underperformance in response to slowing growth and an ailing property sector. The Financial Times ascribes this phenomenon to significant policy shifts in China, spearheaded by President Xi Jinping to accelerate technology breakthroughs and reduce dependence on the West. Goldman Sachs notes that Xi is focusing on coordinating innovation at higher levels of government and aims to grow high-tech manufacturing and renewables industries to accelerate the transition to a new growth model. By allowing stock market investors to back these industries, the growth model can change more rapidly. Nevertheless, this is a risky strategy as an enhanced role of the state in China's stock markets could deter foreign investors.

Forecast 2023:
GDP: **4.9%**
Inflation: **0.6%**
Forecast 2024:
GDP: **4.5%**
Inflation: **1.9%**

EMERGING MARKETS

In recent weeks, the expansion of the BRICS grouping with six new members and the African Union's integration into the G20 underscore a shifting geopolitical and geo-economic equilibrium, challenging the dominance of G7 powers. This realignment emphasises an increasingly organised coalition from the 'Global South,' primarily representing developing, less developed and underdeveloped nations in Africa, Asia and Latin America. Active engagement of these developing countries on the global stage holds significant implications for fostering a multipolar world and advancing multilateralism. With increased dialogue and institutionalised cooperation emerging as key themes among countries within the Global South, peace negotiations could be furthered constructively. Simultaneously, it will exert heightened political and diplomatic pressure on the US and the West more broadly, curbing unilateralism and disrupting a continuation of unipolar hegemony, which previously dominated the international discourse.

Forecast 2023:
GDP: **3.9%**
Inflation: **5.9%**
Forecast 2024:
GDP: **4.1%**
Inflation: **5.5%**

SOUTH AFRICA

Interest rates were kept on hold in the July and September meetings as the South African Reserve Bank (SARB) took stock of the impact of previous hikes on aggregate demand. According to the Bureau for Economic Research's Manufacturing Survey for the third quarter of the year, nearly 60% of manufacturers view interest rates as a constraint to further investment projects in SA. This share is up from 25% in the fourth quarter of 2021, corresponding to the SARB's cumulative 475 basis points of hikes between November 2021 and May 2023. A string of positive inflation surprises and a reversal in medium and longer-dated surveyed inflation expectations, particularly for businesses that are seen as price-setters in the economy, likely swayed the decision to keep the repo rate steady in September. The SARB's forecast on headline inflation inched lower to 5.9% for this year and to 5% for next year, broadly in line with the Reuters median consensus projection. Meanwhile, it raised its growth forecast from 0.4% to 0.7% for this year due to some resilience displayed by households and firms. This is in line with our forecasts, but firmer than the September Reuters' median consensus of 0.3%. Growth forecasts for the outer years remained unchanged at 1% for 2024 and 1.1% for 2025, relative to the Reuters consensus of 1.2% and 1.5%, respectively, and below our forecasts. Despite an unchanged stance, the SARB maintained a cautious tone, flagging upside threats to inflation and the potential inflationary impact of expansionary fiscal policy.

Forecast 2023:
GDP: **0.7%**
Inflation: **5.8%**
Forecast 2024:
GDP: **1%**
Inflation: **4.7%**

The macro research desk

Herman van Papendorp is the head of the Momentum Investments research and insights team and takes ultimate responsibility for macro research and asset allocation. Economist, Sanisha Packirisamy, is responsible for providing a macro framework to inform investment opportunities and strategies.

Indices summary for September 2023

	One month	Three months	One year	Three years	Four years	Five years	Six years	Seven years	Ten years
Equity indices									
FTSE/JSE All-Share Index (Alsi)	-2.55%	-3.48%	17.68%	14.50%	11.24%	9.30%	8.28%	8.55%	8.64%
FTSE/JSE Shareholder Weighted Index (Swix)	-3.06%	-3.97%	12.19%	11.22%	7.71%	6.16%	5.26%	5.50%	7.10%
FTSE/JSE Capped Swix All Share index	-2.97%	-3.81%	11.87%	13.82%	8.78%	6.44%	5.41%	5.40%	6.90%
FTSE/JSE All Share Top 40 Index	-3.07%	-4.62%	19.78%	14.22%	12.00%	9.90%	8.76%	9.20%	8.82%
FTSE/JSE Mid Cap Index	-1.12%	0.90%	7.69%	14.08%	6.01%	5.83%	4.50%	3.42%	6.39%
FTSE/JSE Small Cap Index	-1.96%	1.09%	6.96%	28.79%	15.18%	9.20%	6.79%	5.78%	7.92%
FTSE/JSE Resources Index	1.21%	-4.35%	-0.59%	10.04%	14.12%	12.84%	15.07%	14.49%	6.76%
FTSE/JSE Financials Index	-3.78%	1.74%	20.60%	21.03%	5.20%	3.25%	4.04%	4.46%	7.00%
FTSE/JSE Industrials Index	-4.12%	-6.23%	27.41%	12.93%	10.71%	8.87%	5.92%	6.70%	8.29%
FTSE/JSE Research Affiliates Fundamental Indices 40 Index (Rafi)	-2.53%	-4.01%	14.91%	20.30%	12.68%	10.02%	9.74%	10.04%	9.13%
FTSE/JSE Research Affiliates Fundamental Indices All Share Index	-2.03%	-3.44%	12.62%	19.53%	11.92%	9.32%	9.12%	9.40%	8.56%
FTSE/JSE SA Listed Property Index (Sapy)	-4.08%	-0.97%	12.93%	16.75%	-3.75%	-3.54%	-5.68%	-3.65%	1.49%
FTSE/JSE All Property Index (ALPI)	-3.76%	-0.58%	12.91%	17.11%	-4.05%	-4.78%	-6.39%	-4.63%	0.51%
Interest-bearing indices									
FTSE/JSE All Bond Index (Albi)	-2.34%	-0.33%	7.24%	6.96%	6.11%	7.15%	7.15%	7.30%	7.15%
FTSE/JSE All Bond Index 1-3 years (Albi)	-0.36%	1.96%	8.77%	5.36%	6.95%	7.60%	7.48%	7.70%	7.43%
FTSE/JSE Inflation-linked Index (Ili)	-1.14%	0.75%	3.01%	8.62%	5.75%	5.34%	4.56%	3.98%	5.25%
Short-term Fixed Interest Composite Index (Stefi)	0.65%	2.05%	7.50%	5.28%	5.51%	5.87%	6.11%	6.32%	6.34%
Commodities									
NewGold Exchange-Traded Fund	-4.38%	-2.97%	16.36%	3.24%	11.36%	15.47%	12.12%	9.48%	9.71%
Gold price (in rands)	-3.12%	-2.71%	17.30%	3.64%	11.92%	16.02%	12.65%	9.83%	10.22%
Platinum Exchange-Traded Fund	-6.01%	1.28%	10.33%	4.32%	5.77%	7.85%	5.32%	2.41%	1.56%
Platinum price (in rands)	-6.33%	0.79%	9.44%	4.44%	4.20%	7.62%	5.05%	2.38%	1.28%
Currency movements									
Rand/euro movements	-2.88%	-3.19%	13.37%	0.66%	4.81%	3.95%	3.78%	3.70%	3.89%
Rand/dollar movements	-0.41%	-0.28%	4.81%	4.13%	5.57%	5.90%	5.71%	4.63%	6.47%
Inflation index									
Consumer Price Index (CPI)			4.81%	5.77%	5.09%	4.94%	4.94%	4.91%	5.13%
Global indices									
MSCI World Index (All Countries)	-4.75%	-2.67%	25.60%	11.31%	13.83%	12.45%	12.76%	13.37%	14.18%
MSCI Developed Markets Index	-4.71%	-3.73%	27.83%	12.55%	14.71%	13.59%	14.07%	14.43%	15.27%
MSCI Emerging Markets Index	-4.68%	-3.79%	16.33%	2.44%	6.59%	6.23%	6.05%	7.69%	8.44%
Global Property Research (GPR) 250 REIT Index	-7.38%	-7.04%	11.38%	12.18%	8.34%	13.28%	13.44%	10.54%	18.07%
MSCI Africa Index	-4.38%	-5.17%	7.99%	3.64%	1.67%	1.09%	0.39%	0.88%	2.57%
FTSE World Government Bond Index	-3.64%	-4.37%	6.12%	-4.85%	0.16%	3.12%	3.21%	2.08%	5.21%
Three-month US dollar **LIBOR** rate	0.03%	1.01%	9.48%	5.94%	7.22%	7.47%	7.38%	6.21%	7.72%
Three-month Euro **LIBOR** rate	-2.59%	-1.31%	17.04%	1.29%	5.19%	4.18%	3.91%	3.76%	3.93%
FTSE EPRA/NAREIT Developed Index	-6.35%	-5.83%	8.22%	5.76%	1.42%	5.52%	6.09%	4.98%	9.34%

Important notes

1. Sources: Momentum Investments, IRESS, www.msci.com, www.yieldbook.com, www.ft.com.
2. Returns for periods exceeding one year are annualised.
3. The return for Consumer Price Index (CPI) is to the end of the previous month. Due to the reweighting of the CPI from January 2009, this number reflects a compound of month-on-month CPI returns. The historical numbers used are the official month-on-month numbers based on a composite of the previous inflation series (calculations before January 2009) and the revised inflation series (calculations after January 2009).
4. The MSCI World index (All Countries) returns are adjusted to correspond with global investment prices received.
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MCAA Houseview lifestage portfolio range

returns for September 2023

Lifestage progression

The portfolio range has a lifestage model, which allows a member of a retirement fund to switch from a more aggressive investment portfolio with longer terms to retirement to more conservative and, ultimately, defensive portfolios as a member approaches retirement. The lifestage model uses a combination of asset classes, managed by multiple investment managers with different investment strategies to achieve its objectives. The lifestage philosophy uses ‘term to retirement’ as a proxy for the risk a member is able to adopt. This means, for example, the asset classes in which members of a retirement fund would invest in more than 5 years from retirement will have a different emphasis from those closer to retirement. It stands to reason that when a member of a retirement fund has a long-term investment horizon, the member should be invested in growth asset classes, which would include a significant allocation to higher yielding asset classes and strategies also characterised by a higher level of risk (such as local equities and property as well as global equities). Although these asset classes are volatile, they provide returns above inflation over the long term. However, as a member moves to a medium-term investment horizon, the exposure to volatile asset classes should be gradually reduced to protect members in a retirement fund from being exposed to unnecessary volatility.

Momentum’s purpose is to enhance the lifetime financial wellness of people, their communities and their businesses, building a reputation for innovation and trustworthiness. In this way, we aim to become the preferred lifetime financial wellness partners to our clients. In keeping with the financial wellness framework, we have developed an investment philosophy that maximises the probability of you achieving your unique investment goals. In response to the ever-evolving investment landscape, we manage our portfolios in such a way that they set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. This portfolio range is managed using the outcome-based investment philosophy.

Investment portfolio allocation

Portfolio	Building block	Term to retirement
MCAA Houseview Lifestage Accumulator	Momentum Flexible Factor 7 Portfolio	More than five years to retirement
MCAA Houseview Lifestage Builder	Momentum Flexible Factor 6 Portfolio	Five to three years to retirement
MCAA Houseview Lifestage Consolidator	Momentum Flexible Factor 5 Portfolio	Three to one years to retirement
MCAA Houseview Lifestage Defender	Momentum Flexible Factor 4 Portfolio	Less than one year to retirement

Investment returns summary

Portfolio returns[1]	One Year	Two Year	Three Year	Four Year	Five Year	Six Year	Seven Year
MCAA Houseview Lifestage Accumulator[1&2]	14.47%	8.44%	12.87%	9.73%	8.79%	8.09%	8.15%
Benchmark	14.43%	6.61%	11.51%	6.96%	5.98%	5.52%	5.93%
MCAA Houseview Lifestage Builder[1&2]	14.42%	8.49%	12.74%	9.47%	8.53%	7.76%	7.88%
Benchmark	13.45%	6.38%	10.43%	6.46%	5.71%	5.36%	5.81%
MCAA Houseview Lifestage Consolidator[1&2]	13.46%	8.29%	12.50%	8.92%	8.12%	7.36%	7.42%
Benchmark	12.47%	6.14%	9.42%	5.73%	5.23%	4.94%	5.35%
MCAA Houseview Lifestage Defender [1&2]	12.43%	7.83%	11.53%	8.73%	8.22%	7.62%	7.43%
Benchmark	11.56%	5.88%	8.30%	5.69%	5.48%	5.26%	5.53%

Key:

1. The first investment into the MCAA Flexible lifestage is 1 April 2022, historic returns were used for returns prior to first investment.
2. All returns quoted are before deduction of fees, but after the deduction of performance fees on global underlying investments (where applicable).

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MCAA Momentum Flexible Factor Portfolio Range

MCAA Momentum Flexible Factor 7 Portfolio

Factsheet at 30 September 2023

Target: CPI + 5% to 6%

Investment horizon: Seven years

Investments managed by: Momentum Outcome-based Solutions (Pty) Ltd

Momentum outcome-based investing philosophy

Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

Investor profile and investment strategy

This portfolio is aimed at investors who are in the accumulation phase of investing. It has a long-term investment horizon and, therefore, the aim is to maintain an average exposure of 79.5% to growth asset classes (local and global equities and property). The portfolio consists of the full universe of asset classes, including global investments of up to 45%, and alternative asset classes. The allocations between asset classes, within these balanced mandates, are actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	January 2000
Benchmark:	Composite: Local equity 45%; Local property 3%; Local bond 10%; Local cash 5%; Global equity 28%; Global property 3.5%; Global bond 3.5%; Global cash 2%
Target:	Inflation plus 5% to 6% over seven-year rolling periods
Reg. 28 compliant:	Yes

Risk of capital loss	Very low	Medium	Very high
Investment term	Very short	Medium	Very long

Portfolio managers

Mohammed Sibda
BCom

Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon

Portfolio	Benchmark	CPI + 5%
8.15%	5.93%	9.91%

The annualised return over the investment horizon of the portfolio.

Hit rate

Portfolio
77.72%

The percentage of times the portfolio achieved or exceeded CPI + 5% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-1.60%

The average shortfall relative to CPI + 5% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
9.49%	13.50%

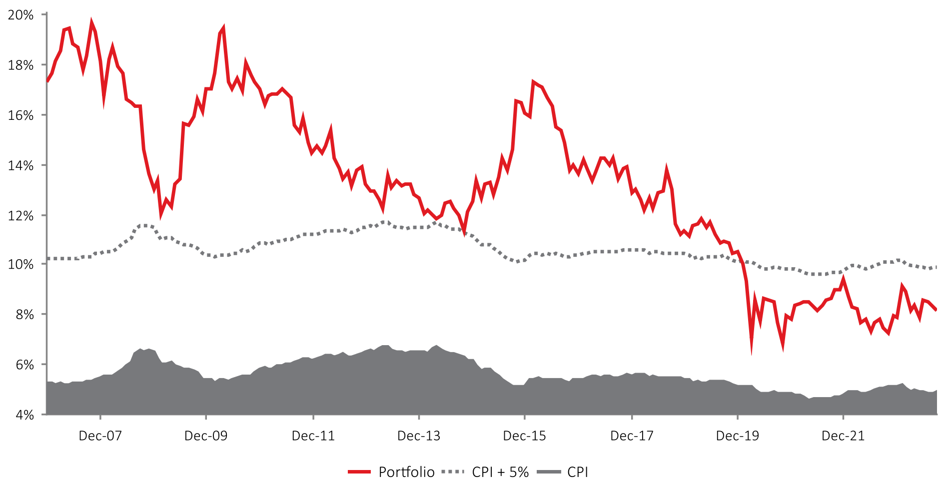
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-12.65%	-14.89%

The worst one-year return with a 95% likelihood.

Rolling returns over investment horizon



Returns over rolling periods of the investment horizon since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	**-3.16%**	**-2.06%**	**14.47%**	**8.44%**	**12.87%**	**9.73%**	**8.79%**	**8.09%**	**8.15%**	**12.41%**
Benchmark[1]	-3.33%	-2.63%	14.43%	6.61%	11.51%	6.96%	5.98%	5.52%	5.93%	12.11%
Risk-adjusted ratio[2]					1.48	0.86	0.82	0.77	0.81	1.24
CPI + 5%	0.67%	2.55%	9.81%	11.21%	10.77%	10.09%	9.94%	9.94%	9.91%	10.59%

[1]The benchmark is calculated using the composite benchmark allocation. [2]A ratio of the actual return achieved per unit of risk taken.

Index returns

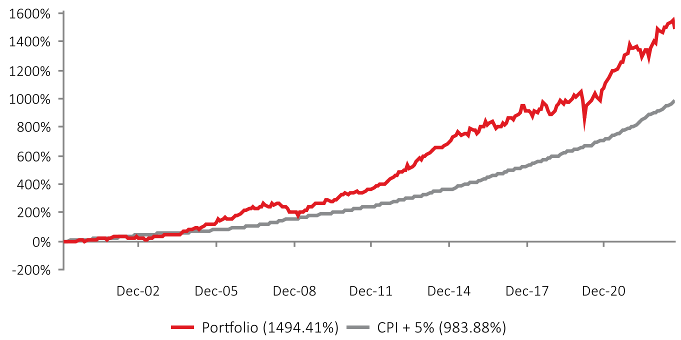
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.97%	11.87%	6.36%	13.82%	6.44%	5.40%	**45.00%**
Local property	FTSE/JSE All Property Index	-3.76%	12.91%	0.81%	17.11%	-4.78%	-4.63%	**3.00%**
Local bond	FTSE/JSE All Bond Index	-2.34%	7.24%	4.32%	6.96%	7.15%	7.30%	**10.00%**
Local cash	STeFI Composite Index	0.65%	7.50%	6.03%	5.28%	5.87%	6.32%	**5.00%**
Global equity	MSCI All Countries World Index	-4.75%	25.60%	9.21%	11.31%	12.45%	13.37%	**28.00%**
Global property	FTSE EPRA/NAREIT Developed Index	-6.35%	8.22%	0.10%	5.76%	5.52%	4.98%	**3.50%**
Global bond	FTSE World Government Bond Index	-3.64%	6.12%	-0.80%	-4.85%	3.12%	2.08%	**3.50%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	-0.05%	10.00%	15.18%	6.21%	7.86%	6.40%	**2.00%**

Investment manager returns

	One year	Three years	Seven years
Local balanced			
Abax Investments	4.05%	17.81%	7.80%
Coronation	10.56%	13.29%	7.15%
Foord	16.25%	12.49%	6.16%
Ninety One	8.95%	12.32%	6.92%
Local cash			
ALUWANI	9.02%	6.62%	7.82%
Momentum Enhanced Yield	9.28%	6.48%	
Momentum Money Market	8.52%	6.11%	
Local alternative			
Momentum Aggressive FoHF	11.73%	12.05%	5.19%
Momentum Alternative Inv. (private equity BB)	11.58%	16.21%	5.33%
Momentum Portable Alpha FoHF	13.99%	17.31%	6.33%
Momentum Special Opportunities	7.72%	8.61%	8.87%
Global equity			
Momentum Global Investment Management	24.85%	11.27%	13.46%
Global property			
Momentum Global Property	7.39%	5.24%	
Global bond			
Amundi	6.68%	-3.24%	2.78%
Global cash			
State Street			

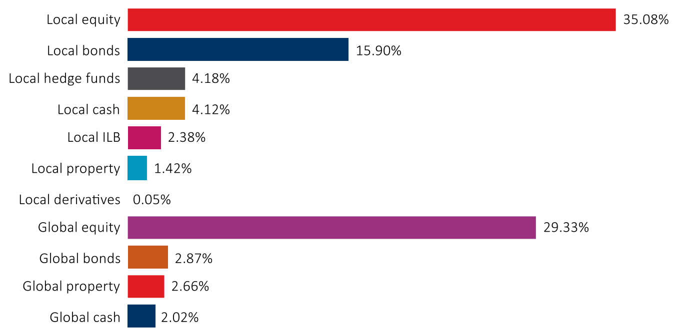
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 5%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic Of South Africa R2040	3.86%
Firstrand Limited	2.61%
Prosus	2.50%
Naspers Limited	2.31%
Republic Of South Africa R2032	2.12%
Standard Bank Group Ltd	1.63%
Realfin Collective Investment Scheme MMCQB1	1.41%
Realfin Collective Investment Scheme MMRRB1	1.37%
Apple Inc.	1.32%
British American Tobacco Plc	1.23%

The 10-largest instruments at 31 August 2023, looking through all asset classes held.

Quarterly portfolio commentary for Q3 2023

With inflation slowing and signs emerging that past monetary policy tightening is influencing the economy, the end is likely in sight for global central banks. But even if interest rates have not yet peaked, further hikes should be less consequential for financial markets given the extent of rate tightening.Interest rate cuts are nonetheless still seen to be some way off. Central banks are nervous about prematurely declaring a victory in taming inflation and will likely maintain a restrictive policy until inflation is sustainably bound closer to the central bank target.As has been the case for United States (US) bonds for over a year, good economic growth news recently also became bad news for US equities due to worries that a good growth outcome implies policy rates will remain higher for longer. The narrow-based nature of this year's US equity market advance also brings the sustainability of ongoing market upside into question. US bonds now trade at a discount to US equities, a rarity this century, making them historically cheap alternatives to equities.Although structural bottlenecks are likely to cap South Africa's (SA) growth recovery to an expected 1% next year and 1.7% in the year after, tangible progress on priority reforms has been identified for their potential impact on economic growth and job creation point to better growth conditions ahead, which could provide a healthy platform for a 2% handle on medium-term growth outcomes.Even though we expect inflation to resume its glide path toward the 4.5% midpoint of the target band on a more sustainable basis, SA interest rates are likely to stay on hold until the second quarter of 2024 to counter fiscal dominance risks and continued upside risks to the inflation profile.SA equities still trade at huge valuation discounts to the rest of the world and its history. Although the SA equity market will likely also suffer during any global equity drawdowns in risk-off periods, it could perform relatively better in subsequent risk-on recoveries due to its positive valuation underpin. SA real bond yields are attractive against their history, as well as relative to those in global markets, with part of the high real yield differential due to a fiscal and country risk premium. We expect falling inflation in the coming year to be less supportive of inflation-linked bonds. The prospective SA real cash yield has been rising from a low level in line with policy rate increases and recently expected falling inflation and is currently cheap versus history. Although SA-listed property companies are experiencing improving operational performance, financial metrics have deteriorated.

The portfolio delivered a return of -2.1% for the quarter, which was above the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
The benchmark for the local property component was changed on 1 October 2021 from the FTSE/JSE SA Listed Property Index to the FTSE/JSE All Property Index.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 7% to a range of inflation plus 5% to 6%.
Changes were made to the strategic asset allocations on 31 October 2020.

Disclosures

Sources: Momentum Investments, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

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Signatory of:

PRI Principles for Responsible Investment

momentum corporate

MCAA Momentum Flexible Factor Portfolio Range

MCAA Momentum Flexible Factor 6 Portfolio

Factsheet at 30 September 2023

Target: CPI + 4% to 5%

Investment horizon: Six years

Investments managed by: Momentum Outcome-based Solutions (Pty) Ltd

Momentum outcome-based investing philosophy

Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

Investor profile and investment strategy

This portfolio is aimed at investors who are in the accumulation phase of investing. It has a medium- to long-term investment horizon and, therefore, the aim is to maintain an average exposure of 67.5% to growth asset classes (local and global equities and property), with a small allocation to defensive asset classes. The portfolio consists of the full universe of asset classes, including global investments of up to 45%, and alternative asset classes. The allocation between asset classes, within these balanced mandates, is actively managed, taking the market environment into account Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	January 2000
Benchmark:	Composite: Local equity 36.5%; Local property 2.5%; Local bond 18.5%; Local cash 7%; Global equity 25%; Global property 3.5%; Global bond 5%; Global cash 2%
Target:	Inflation plus 4% to 5% over six-year rolling periods
Reg. 28 compliant:	Yes

Risk of capital loss	Very low	Medium	Very high
Investment term	Very short	Medium	Very long

Portfolio managers

Mohammed Sibda
BCom

Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon

Portfolio	Benchmark	CPI + 4%
7.76%	5.36%	8.94%

The annualised return over the investment horizon of the portfolio.

Hit rate

Portfolio
75.70%

The percentage of times the portfolio achieved or exceeded CPI + 4% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-1.16%

The average shortfall relative to CPI + 4% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
9.85%	13.50%

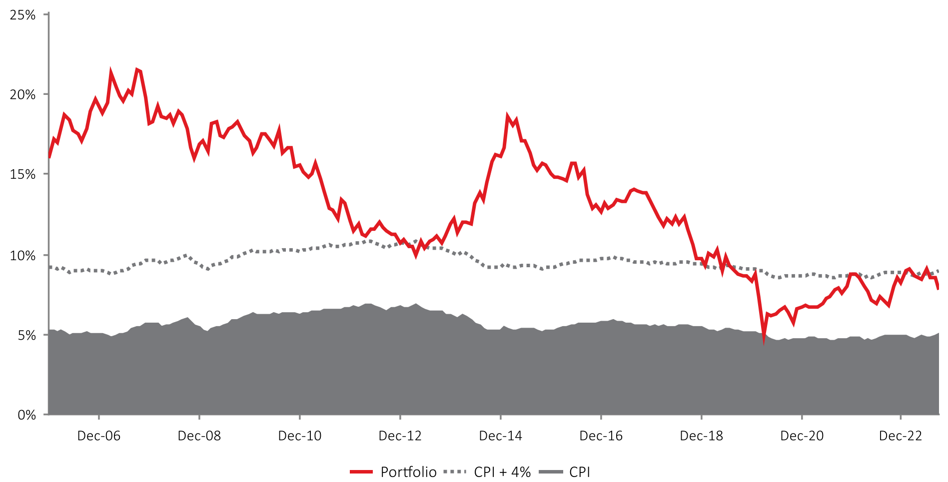
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-11.24%	-13.23%

The worst one-year return with a 95% likelihood.

Rolling returns over investment horizon



Returns over rolling periods of the investment horizon since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	**-3.04%**	**-1.97%**	**14.42%**	**8.49%**	**12.74%**	**9.47%**	**8.53%**	**7.76%**	**7.88%**	**12.34%**
Benchmark[1]	-3.16%	-2.28%	13.45%	6.38%	10.43%	6.46%	5.71%	5.36%	5.81%	11.93%
Risk-adjusted ratio[2]					1.50	0.85	0.81	0.76	0.81	1.26
CPI + 4%	0.59%	2.32%	8.81%	10.21%	9.77%	9.09%	8.94%	8.94%	8.91%	9.59%

[1]The benchmark is calculated using the composite benchmark allocation. [2]A ratio of the actual return achieved per unit of risk taken.

Index returns

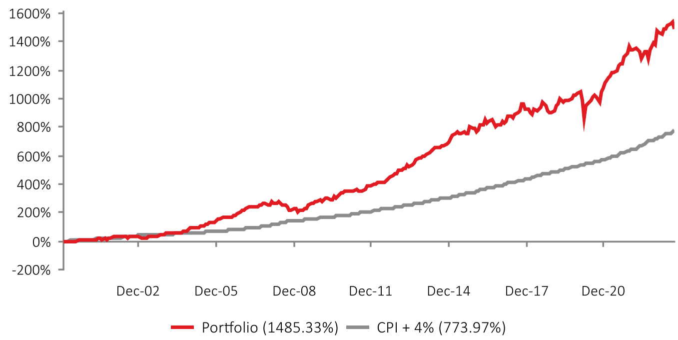
Asset class	Index	One month	One year	Two years	Three years	Five years	Six years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.97%	11.87%	6.36%	13.82%	6.44%	5.41%	**36.50%**
Local property	FTSE/JSE All Property Index	-3.76%	12.91%	0.81%	17.11%	-4.78%	-6.39%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-2.34%	7.24%	4.32%	6.96%	7.15%	7.15%	**18.50%**
Local cash	STeFI Composite Index	0.65%	7.50%	6.03%	5.28%	5.87%	6.11%	**7.00%**
Global equity	MSCI All Countries World Index	-4.75%	25.60%	9.21%	11.31%	12.45%	12.76%	**25.00%**
Global property	FTSE EPRA/NAREIT Developed Index	-6.35%	8.22%	0.10%	5.76%	5.52%	6.09%	**3.50%**
Global bond	FTSE World Government Bond Index	-3.64%	6.12%	-0.80%	-4.85%	3.12%	3.21%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	-0.05%	10.00%	15.18%	6.21%	7.86%	7.67%	**2.00%**

Investment manager returns

	One year	Three years	Seven years
Local balanced			
Abax Investments	4.05%	17.81%	7.80%
Coronation	10.56%	13.29%	7.15%
Foord	16.25%	12.49%	6.16%
Ninety One	8.95%	12.32%	6.92%
Local cash			
ALUWANI	9.02%	6.62%	7.82%
Momentum Enhanced Yield	9.28%	6.48%	
Momentum Money Market	8.52%	6.11%	
Local alternative			
Momentum Aggressive FoHF	11.73%	12.05%	5.19%
Momentum Alternative Inv. (private equity BB)	11.58%	16.21%	5.33%
Momentum Portable Alpha FoHF	13.99%	17.31%	6.33%
Momentum Special Opportunities	7.72%	8.61%	8.87%
Global equity			
Momentum Global Investment Management	24.85%	11.27%	13.46%
Global property			
Momentum Global Property	7.39%	5.24%	
Global bond			
Amundi	6.68%	-3.24%	2.78%
Global cash			
State Street			

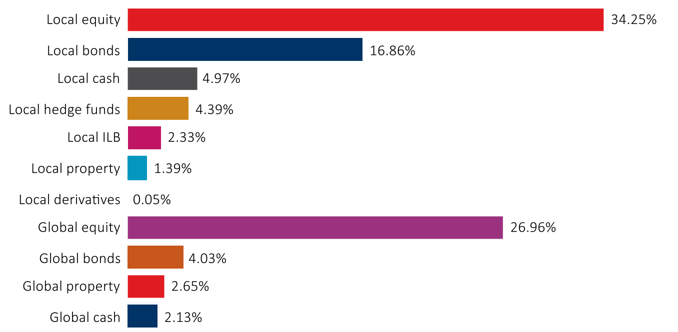
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 4%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic Of South Africa R2040	3.87%
Firstrand Limited	2.62%
Prosus	2.50%
Naspers Limited	2.31%
Republic Of South Africa R2032	2.13%
Realfin Collective Investment Scheme MMEHB1	1.82%
Standard Bank Group Ltd	1.63%
British American Tobacco Plc	1.24%
Apple Inc.	1.22%
Compagnie Financière Richemont Sa	1.21%

The 10-largest instruments at 31 August 2023, looking through all asset classes held.

Quarterly portfolio commentary for Q3 2023

With inflation slowing and signs emerging that past monetary policy tightening is influencing the economy, the end is likely in sight for global central banks. But even if interest rates have not yet peaked, further hikes should be less consequential for financial markets given the extent of rate tightening.Interest rate cuts are nonetheless still seen to be some way off. Central banks are nervous about prematurely declaring a victory in taming inflation and will likely maintain a restrictive policy until inflation is sustainably bound closer to the central bank target.As has been the case for United States (US) bonds for over a year, good economic growth news recently also became bad news for US equities due to worries that a good growth outcome implies policy rates will remain higher for longer. The narrow-based nature of this year’s US equity market advance also brings the sustainability of ongoing market upside into question. US bonds now trade at a discount to US equities, a rarity this century, making them historically cheap alternatives to equities.Although structural bottlenecks are likely to cap South Africa’s (SA) growth recovery to an expected 1% next year and 1.7% in the year after, tangible progress on priority reforms has been identified for their potential impact on economic growth and job creation point to better growth conditions ahead, which could provide a healthy platform for a 2% handle on medium-term growth outcomes.Even though we expect inflation to resume its glide path toward the 4.5% midpoint of the target band on a more sustainable basis, SA interest rates are likely to stay on hold until the second quarter of 2024 to counter fiscal dominance risks and continued upside risks to the inflation profile.SA equities still trade at huge valuation discounts to the rest of the world and its history. Although the SA equity market will likely also suffer during any global equity drawdowns in risk-off periods, it could perform relatively better in subsequent risk-on recoveries due to its positive valuation underpin. SA real bond yields are attractive against their history, as well as relative to those in global markets, with part of the high real yield differential due to a fiscal and country risk premium. We expect falling inflation in the coming year to be less supportive of inflation-linked bonds. The prospective SA real cash yield has been rising from a low level in line with policy rate increases and recently expected falling inflation and is currently cheap versus history. Although SA-listed property companies are experiencing improving operational performance, financial metrics have deteriorated.

The portfolio delivered a return of -2.0% for the quarter, which was above the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
The benchmark for the local property component was changed on 1 October 2021 from the FTSE/JSE SA Listed Property Index to the FTSE/JSE All Property Index.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 6% to a range of inflation plus 4% to 5%.
Changes were made to the strategic asset allocations on 31 October 2020.

Disclosures

Sources: Momentum Investments, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

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Signatory of:

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corporate

MCAA Momentum Flexible Factor Portfolio Range

MCAA Momentum Flexible Factor 5 Portfolio

Factsheet at 30 September 2023

Target: CPI + 3% to 4%

Investment horizon: Five years

Investments managed by: Momentum Outcome-based Solutions (Pty) Ltd

Momentum outcome-based investing philosophy

Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

Investor profile and investment strategy

This portfolio is aimed at investors who are in the consolidation phase of investing. It has a medium-term investment horizon and, therefore, the aim is to maintain an average exposure of 56% to growth asset classes (local and global equities and property). The remaining exposure is to asset classes that should preserve the purchasing power of the capital accumulated. The portfolio consists of the full universe of asset classes, including global investments of up to 45%, and alternative asset classes. The allocation between asset classes, within these balanced mandates, is actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	March 2011
Benchmark:	Composite: Local equity 30%; Local property 2.5%; Local bond 23%; Local cash 12%; Global equity 20%; Global property 3.5%; Global bond 5%; Global cash 4%
Target:	Inflation plus 3% to 4% over five-year rolling periods
Reg. 28 compliant:	Yes

Risk of capital loss	Very low	Medium	Very high
Investment term	Very short	Medium	Very long

Portfolio managers


Mohammed Sibda
BCom


Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon

Portfolio
8.12%

Benchmark	CPI + 3%
5.23%	7.94%

The annualised return over the investment horizon of the portfolio.

Hit rate

Portfolio
54.35%

The percentage of times the portfolio achieved or exceeded CPI + 3% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-1.53%

The average shortfall relative to CPI + 3% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
6.43%	12.14%

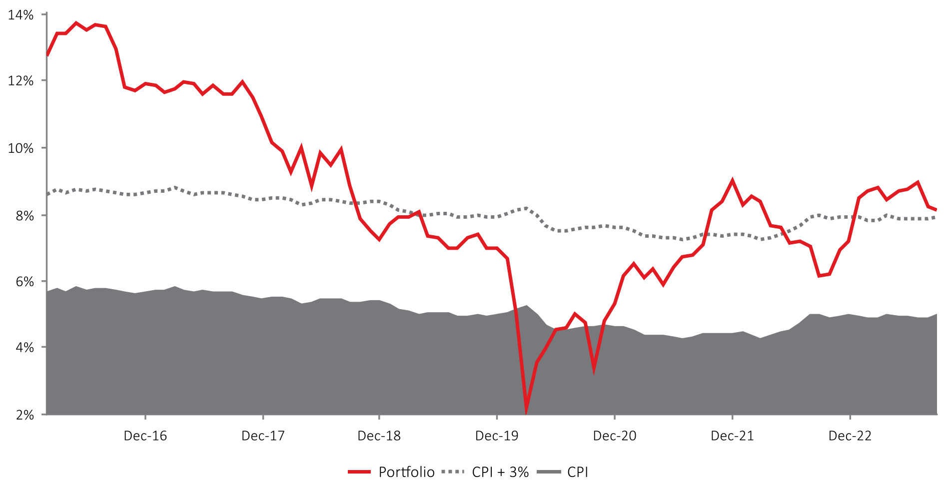
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-4.26%	-7.27%

The worst one-year return with a 95% likelihood.

Rolling returns over investment horizon



Returns over rolling periods of the investment horizon since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	**-2.68%**	**-1.16%**	**13.46%**	**8.29%**	**12.50%**	**8.92%**	**8.12%**	**7.36%**	**7.42%**	**9.62%**
Benchmark[1]	-2.80%	-1.80%	12.47%	6.14%	9.42%	5.73%	5.23%	4.94%	5.35%	8.61%
Risk-adjusted ratio[2]					1.61	0.85	0.82	0.77	0.82	1.29
CPI + 3%	0.51%	2.08%	7.81%	9.21%	8.77%	8.09%	7.94%	7.94%	7.91%	8.32%

[1]The benchmark is calculated using the composite benchmark allocation. [2]A ratio of the actual return achieved per unit of risk taken.

Index returns

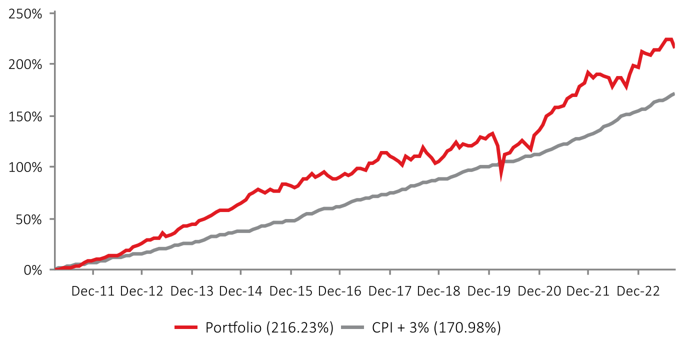
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.97%	11.87%	6.36%	13.82%	6.44%	5.40%	**30.00%**
Local property	FTSE/JSE All Property Index	-3.76%	12.91%	0.81%	17.11%	-4.78%	-4.63%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-2.34%	7.24%	4.32%	6.96%	7.15%	7.30%	**23.00%**
Local cash	STeFI Composite Index	0.65%	7.50%	6.03%	5.28%	5.87%	6.32%	**12.00%**
Global equity	MSCI All Countries World Index	-4.75%	25.60%	9.21%	11.31%	12.45%	13.37%	**20.00%**
Global property	FTSE EPRA/NAREIT Developed Index	-6.35%	8.22%	0.10%	5.76%	5.52%	4.98%	**3.50%**
Global bond	FTSE World Government Bond Index	-3.64%	6.12%	-0.80%	-4.85%	3.12%	2.08%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	-0.05%	10.00%	15.18%	6.21%	7.86%	6.40%	**4.00%**

Investment manager returns

	One year	Three years	Seven years
Local balanced			
Abax Investments	4.05%	17.81%	7.80%
Coronation	10.56%	13.29%	7.15%
Foord	16.25%	12.49%	6.16%
Ninety One	8.95%	12.32%	6.92%
Local bond			
ALUWANI	8.96%	7.46%	8.10%
Local absolute-return			
Absa	8.93%	11.07%	8.87%
Laurium	8.47%	11.92%	6.63%
M&G Investments	9.54%	14.35%	6.89%
Prescient	7.02%	9.87%	6.62%
Sentio	5.40%	9.74%	3.94%
Local cash			
ALUWANI	9.02%	6.62%	7.82%
Momentum Enhanced Yield	9.28%	6.48%	
Momentum Money Market	8.52%	6.11%	
Local alternative			
Momentum Aggressive FoHF	11.73%	12.05%	5.19%
Momentum Alternative Inv. (private equity BB)	11.58%	16.21%	5.33%
Momentum Moderate FoHF	14.11%	9.94%	7.50%
Momentum Portable Alpha FoHF	13.99%	17.31%	6.33%
Momentum Special Opportunities	7.72%	8.61%	8.87%
Global equity			
Momentum Global Investment Management	24.85%	11.27%	13.46%
Global property			
Momentum Global Property	7.39%	5.24%	
Global bond			
Amundi	6.68%	-3.24%	2.78%
Global cash			
State Street			

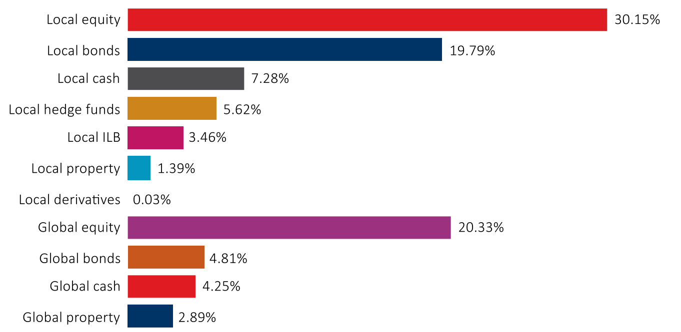
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 3%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Republic Of South Africa R2040	2.21%
Prosus	2.01%
Firstrand Limited	1.92%
Realfin Collective Investment Scheme MMEHB1	1.87%
Naspers Limited	1.73%
Republic Of South Africa R2032	1.59%
Standard Bank Of South Africa	1.46%
Standard Bank Group Ltd	1.23%
British American Tobacco Plc	1.15%
Realfin Collective Investment Scheme MMCQB1	1.06%

The 10-largest instruments at 31 August 2023, looking through all asset classes held.

Quarterly portfolio commentary for Q3 2023

With inflation slowing and signs emerging that past monetary policy tightening is influencing the economy, the end is likely in sight for global central banks. But even if interest rates have not yet peaked, further hikes should be less consequential for financial markets given the extent of rate tightening.Interest rate cuts are nonetheless still seen to be some way off. Central banks are nervous about prematurely declaring a victory in taming inflation and will likely maintain a restrictive policy until inflation is sustainably bound closer to the central bank target.As has been the case for United States (US) bonds for over a year, good economic growth news recently also became bad news for US equities due to worries that a good growth outcome implies policy rates will remain higher for longer. The narrow-based nature of this year's US equity market advance also brings the sustainability of ongoing market upside into question. US bonds now trade at a discount to US equities, a rarity this century, making them historically cheap alternatives to equities.Although structural bottlenecks are likely to cap South Africa's (SA) growth recovery to an expected 1% next year and 1.7% in the year after, tangible progress on priority reforms has been identified for their potential impact on economic growth and job creation point to better growth conditions ahead, which could provide a healthy platform for a 2% handle on medium-term growth outcomes.Even though we expect inflation to resume its glide path toward the 4.5% midpoint of the target band on a more sustainable basis, SA interest rates are likely to stay on hold until the second quarter of 2024 to counter fiscal dominance risks and continued upside risks to the inflation profile.SA equities still trade at huge valuation discounts to the rest of the world and its history. Although the SA equity market will likely also suffer during any global equity drawdowns in risk-off periods, it could perform relatively better in subsequent risk-on recoveries due to its positive valuation underpin. SA real bond yields are attractive against their history, as well as relative to those in global markets, with part of the high real yield differential due to a fiscal and country risk premium. We expect falling inflation in the coming year to be less supportive of inflation-linked bonds. The prospective SA real cash yield has been rising from a low level in line with policy rate increases and recently expected falling inflation and is currently cheap versus history. Although SA-listed property companies are experiencing improving operational performance, financial metrics have deteriorated.

The portfolio delivered a return of -1.2% for the quarter, which was above the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
The benchmark for the local property component was changed on 1 October 2021 from the FTSE/JSE SA Listed Property Index to the FTSE/JSE All Property Index.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 5% to a range of inflation plus 3% to 4%.
Changes were made to the strategic asset allocations on 31 October 2020.

Disclosures

Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, but after the deduction of performance fees on global underlying investments (where applicable). All returns are daily time-weighted returns. The return for the global component of a portfolio is generated at month-end using the global component's last known price. The return for Consumer Price Index (CPI) is to the end of the previous month.
For investments in collective investments schemes (CIS), please refer to the minimum disclosure document (MDD), which is available from the respective CIS manager. The MDD contains important information relating to investment in the respective CIS.

Sources: Momentum Investments, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

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Signatory of:

PRI Principles for Responsible Investment

MCAA Momentum Flexible Factor Portfolio Range

MCAA Momentum Flexible Factor 4 Portfolio

Factsheet at 30 September 2023

Target: CPI + 2% to 3%

Investment horizon: Four years

Investments managed by: Momentum Outcome-based Solutions (Pty) Ltd

Momentum outcome-based investing philosophy

Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, we have constructed a range of outcome-based solutions that set their sights beyond mere benchmarks and instead focus on the things that matter the most to you – ensuring we maximise the probability of you achieving your investment goals. Outcome-based investing is about placing your goals at the centre of our investment process.

Investor profile and investment strategy

This portfolio is aimed at investors who are in the pre-retirement and consolidation phase of investing. It has a short- to medium-term investment horizon and, therefore, the aim is to maintain an average exposure of 43.5% to growth asset classes (local and global equities and property). The remaining exposure is to asset classes that should preserve the purchasing power of the capital accumulated. The portfolio consists of the full universe of asset classes, including global investments of up to 45%, and alternative asset classes. The allocation between asset classes, within these balanced mandates, is actively managed, taking the market environment into account. Through the optimum selection of asset classes, the probability of achieving the outcome is maximised within acceptable risk parameters. Performance fees may be paid within investment mandates, should they sufficiently enhance investment returns after fees. It is suitable as a stand-alone portfolio in retirement products, where compliance with Regulation 28 is specifically required.

Portfolio information

Launch date:	March 2011
Benchmark:	Composite: Local equity 20%; Local property 2.5%; Local bond 30%; Local cash 17%; Global equity 17.5%; Global property 3.5%; Global bond 5%; Global cash 4.5%
Target:	Inflation plus 2% to 3% over four-year rolling periods
Reg. 28 compliant:	Yes

Risk of capital loss	Very low	Medium	Very high
Investment term	Very short	Medium	Very long

Portfolio managers


Mohammed Sibda
BCom


Nina Saad
BSc, CFA

Long-term outcomes

Return over the investment horizon

Portfolio
8.73%

Benchmark	CPI + 2%
5.69%	7.09%

The annualised return over the investment horizon of the portfolio.

Hit rate

Portfolio
74.04%

The percentage of times the portfolio achieved or exceeded CPI + 2% over rolling periods of the investment horizon.

Average shortfall

Portfolio
-1.27%

The average shortfall relative to CPI + 2% over rolling periods of the investment horizon.

Short-term risk

Risk of negative one-year return

Portfolio	Benchmark
4.29%	7.14%

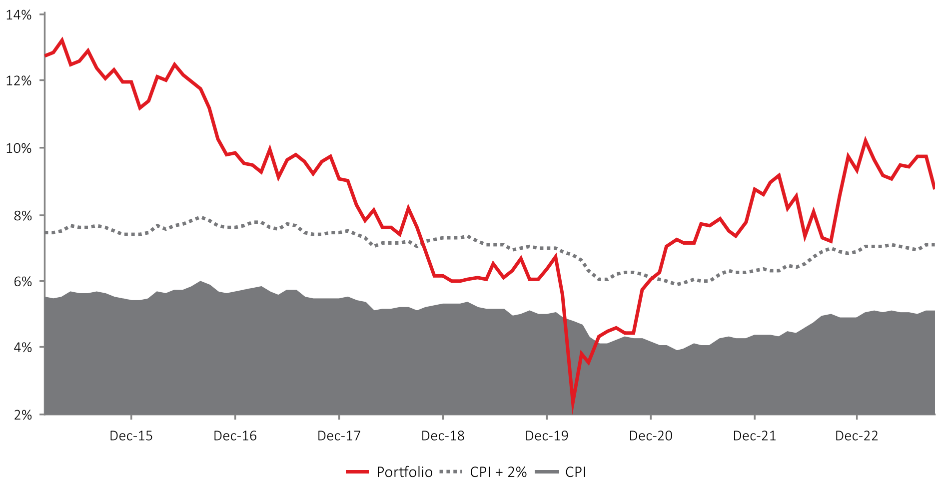
The likelihood of negative returns over any one-year rolling period.

Minimum one-year returns

Portfolio	Benchmark
-1.47%	-3.64%

The worst one-year return with a 95% likelihood.

Rolling returns over investment horizon



Returns over rolling periods of the investment horizon since launch.

Investment returns

	One month	Three months	One year	Two years	Three years	Four years	Five years	Six years	Seven years	Launch
Portfolio	**-2.45%**	**-1.10%**	**12.43%**	**7.83%**	**11.53%**	**8.73%**	**8.22%**	**7.62%**	**7.43%**	**9.08%**
Benchmark[1]	-2.52%	-1.28%	11.56%	5.88%	8.30%	5.69%	5.48%	5.26%	5.53%	8.18%
Risk-adjusted ratio[2]					1.74	1.02	1.03	1.00	1.03	1.50
CPI + 2%	0.43%	1.85%	6.81%	8.21%	7.77%	7.09%	6.94%	6.94%	6.91%	7.32%

[1]The benchmark is calculated using the composite benchmark allocation.

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

Index returns

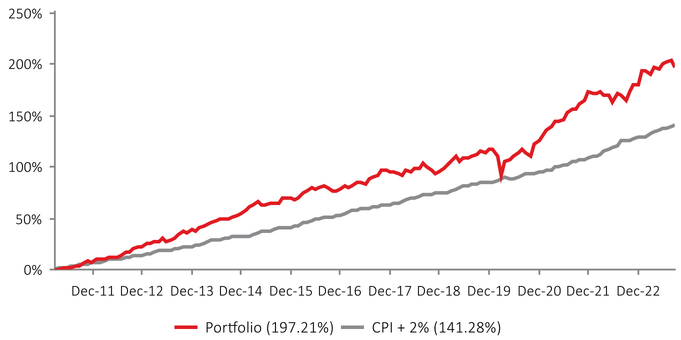
Asset class	Index	One month	One year	Two years	Three years	Four years	Five years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.97%	11.87%	6.36%	13.82%	8.78%	6.44%	**20.00%**
Local property	FTSE/JSE All Property Index	-3.76%	12.91%	0.81%	17.11%	-4.05%	-4.78%	**2.50%**
Local bond	FTSE/JSE All Bond Index	-2.34%	7.24%	4.32%	6.96%	6.11%	7.15%	**30.00%**
Local cash	STeFI Composite Index	0.65%	7.50%	6.03%	5.28%	5.51%	5.87%	**17.00%**
Global equity	MSCI All Countries World Index	-4.75%	25.60%	9.21%	11.31%	13.83%	12.45%	**17.50%**
Global property	FTSE EPRA/NAREIT Developed Index	-6.35%	8.22%	0.10%	5.76%	1.42%	5.52%	**3.50%**
Global bond	FTSE World Government Bond Index	-3.64%	6.12%	-0.80%	-4.85%	0.16%	3.12%	**5.00%**
Global cash	ICE BofA US 1-Month Treasury Bill Index	-0.05%	10.00%	15.18%	6.21%	7.40%	7.86%	**4.50%**

Investment manager returns

	One year	Three years	Seven years
Local balanced			
Abax Investments	4.05%	17.81%	7.80%
Coronation	10.56%	13.29%	7.15%
Foord	16.25%	12.49%	6.16%
Ninety One	8.95%	12.32%	6.92%
Local absolute-return			
Absa	8.93%	11.07%	8.87%
Laurium	8.47%	11.92%	6.63%
M&G Investments	9.54%	14.35%	6.89%
Prescient	7.02%	9.87%	6.62%
Sentio	5.40%	9.74%	3.94%
Local cash			
ALUWANI	9.02%	6.62%	7.82%
Momentum Enhanced Yield	9.28%	6.48%	
Momentum Money Market	8.52%	6.11%	
Local alternative			
Momentum Aggressive FoHF	11.73%	12.05%	5.19%
Momentum Alternative Inv. (private equity BB)	11.58%	16.21%	5.33%
Momentum Moderate FoHF	14.11%	9.94%	7.50%
Momentum Special Opportunities	7.72%	8.61%	8.87%
Global equity			
Momentum Global Investment Management	24.85%	11.27%	13.46%
Global property			
Momentum Global Property	7.39%	5.24%	
Global bond			
Amundi	6.68%	-3.24%	2.78%
Global cash			
State Street			

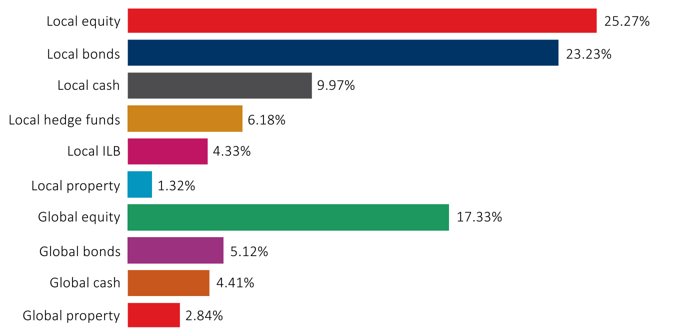
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

Cumulative returns



The cumulative growth of the portfolio since launch compared to CPI + 2%.

Effective asset allocation



The 10-largest portfolio holdings

Holding	
Realfin Collective Investment Scheme MRDFB	3.85%
Standard Bank Of South Africa	2.93%
Prosus	1.77%
Realfin Collective Investment Scheme MMEHB1	1.74%
Republic Of South Africa R2037	1.55%
Firstrand Limited	1.44%
Naspers Limited	1.36%
Republic Of South Africa R209	1.36%
Republic Of South Africa R2035	1.28%
Republic Of South Africa R2032	1.24%

The 10-largest instruments at 31 August 2023, looking through all asset classes held.

Quarterly portfolio commentary for Q3 2023

With inflation slowing and signs emerging that past monetary policy tightening is influencing the economy, the end is likely in sight for global central banks. But even if interest rates have not yet peaked, further hikes should be less consequential for financial markets given the extent of rate tightening.Interest rate cuts are nonetheless still seen to be some way off. Central banks are nervous about prematurely declaring a victory in taming inflation and will likely maintain a restrictive policy until inflation is sustainably bound closer to the central bank target.As has been the case for United States (US) bonds for over a year, good economic growth news recently also became bad news for US equities due to worries that a good growth outcome implies policy rates will remain higher for longer. The narrow-based nature of this year's US equity market advance also brings the sustainability of ongoing market upside into question. US bonds now trade at a discount to US equities, a rarity this century, making them historically cheap alternatives to equities.Although structural bottlenecks are likely to cap South Africa's (SA) growth recovery to an expected 1% next year and 1.7% in the year after, tangible progress on priority reforms has been identified for their potential impact on economic growth and job creation point to better growth conditions ahead, which could provide a healthy platform for a 2% handle on medium-term growth outcomes.Even though we expect inflation to resume its glide path toward the 4.5% midpoint of the target band on a more sustainable basis, SA interest rates are likely to stay on hold until the second quarter of 2024 to counter fiscal dominance risks and continued upside risks to the inflation profile.SA equities still trade at huge valuation discounts to the rest of the world and its history. Although the SA equity market will likely also suffer during any global equity drawdowns in risk-off periods, it could perform relatively better in subsequent risk-on recoveries due to its positive valuation underpin. SA real bond yields are attractive against their history, as well as relative to those in global markets, with part of the high real yield differential due to a fiscal and country risk premium. We expect falling inflation in the coming year to be less supportive of inflation-linked bonds. The prospective SA real cash yield has been rising from a low level in line with policy rate increases and recently expected falling inflation and is currently cheap versus history. Although SA-listed property companies are experiencing improving operational performance, financial metrics have deteriorated.

The portfolio delivered a return of -1.1% for the quarter, which was above the benchmark.

Notes

Changes were made to the strategic asset allocations on 1 July 2023.
The benchmark for the local property component was changed on 1 October 2021 from the FTSE/JSE SA Listed Property Index to the FTSE/JSE All Property Index.
On 1 November 2020, the real return expectation for this portfolio was revised from inflation plus 4% to a range of inflation plus 2% to 3%.
Changes were made to the strategic asset allocations on 31 October 2020.

Disclosures

Investment returns for periods exceeding one year are annualised. All returns quoted are before deduction of fees, but after the deduction of performance fees on global underlying investments (where applicable). All returns are daily time-weighted returns. The return for the global component of a portfolio is generated at month-end using the global component's last known price. The return for Consumer Price Index (CPI) is to the end of the previous month.
For investments in collective investments schemes (CIS), please refer to the minimum disclosure document (MDD), which is available from the respective CIS manager. The MDD contains important information relating to investment in the respective CIS.

Sources: Momentum Investments, Morningstar, Iress, msci.com, yieldbook.com, ft.com.

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