

## MCAA Houseview Lifestages

February 2024



## Lifestage progression

The portfolio range has a life stage 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 portfolio as they get closer retirement. The risk profiles in the life stage model use 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 can accept. This means, for example, the asset classes in which members of a retirement fund would invest in more than 7 years from retirement will have a different emphasis from those closer to retirement.

It makes sense that when a member of a retirement fund has a long-term investment horizon, they should be invested in growth asset classes, which would include higher yielding asset classes and strategies appropriate for a higher level of risk, such as equities and property locally and globally

Although volatile, these asset classes normally provide returns above inflation over the long term. As a member moves to a medium-term investment horizon, the exposure to volatile asset classes should be gradually reduced to protect them from being exposed to unnecessary volatility.

All portfolios follow Momentum Investments' outcome-based investing approach, which strives to enhance the financial success of retirement fund members.

## Investment portfolio allocation

Portfolio	Portfolio building block	Glide path (years to retirement)
MCAA Houseview Lifestage Accumulator	Momentum Flexible Factor 7	More than 5 years from normal retirement age
MCAA Houseview Lifestage Builder	Momentum Flexible Factor 6	Between 3 and 5 years from normal retirement age
MCAA Houseview Lifestage Consolidator	Momentum Flexible Factor 5	Between 1 and 3 years from normal retirement age
MCAA Houseview Lifestage Defender	Momentum Flexible Factor 4	Less than 1 years from normal retirement age

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Signatory of:



## Economies at a Glance

February 2024

### Forecast 2024:

GDP: **1.9%**

Core PCE Inflation: **2.4%**

### Forecast 2025:

GDP: **1.5%**

Core PCE Inflation: **2.2%**

## EUROZONE

In a significant move towards bolstering common European defense, the deployment of Naval Force Operation Aspides was announced, aimed at safeguarding cargo ships in the Red Sea. Acknowledging the impact of the Red Sea's security situation on trade, the European Union's (EU) Economy Commissioner has observed that the redirection of shipping routes has led to a 10 to 15-day increase in delivery times for shipments between Asia and the EU and a c.400% rise in shipment costs. *Euronews* has reported that maritime transport is pivotal for EU-China trade, accounting for 90% of their bilateral exchange. The repercussions are more pronounced for imports than exports, with close to a quarter of the goods entering Europe being transported by sea from Asia, whereas this route only represents 10% of Europe's exports. Allianz Trade forecasts that these disruptions could potentially contribute to an additional 0.7pp in inflation for Europe.

### Forecast 2024:

GDP: **0.3%**

Inflation: **2.4%**

### Forecast 2025:

GDP: **1%**

Inflation: **2%**

## JAPAN

A number of Japanese shipping firms temporarily halted the passage of all their operated ships through the Red Sea. According to the European Commission, Japan is the EU's second-biggest trading partner in Asia after China. Meanwhile, Japan is the seventh largest partner for EU exports and imports of goods. Top imports from Japan to the EU include machinery, motor vehicles, chemicals and plastics. EU exports to Japan are dominated by chemicals, vehicles, machinery and food and beverages. Japan, together with China and South Korea are pivotal manufacturing hubs for automotive components. Around 70% of components in the European automotive sector rely on transport via the Red Sea waters from Asia. Consequently, *Reuters* reported a temporary halt in car production at Tesla's German facility and Volvo's European production lines.

## UNITED STATES

The United States' (US) approach to the conflict in the Red Sea should be measured, given that a more aggressive approach could deepen domestic divisions rather than create a 'rally-around-the-flag' effect. Falling inflation has contributed to a rise in consumer sentiment. However, disruptions in the Red Sea could put a brake on the progress made against inflation which has been a source of encouragement for Democrats. Shippers are using alternative routes, which add to shipping times and costs, but this allows for an alternative resulting in fewer supply disruptions compared to the pandemic. Freightos, a shipping logistics company, notes that shipping costs from Asia to the US's West Coast have risen 74% since the middle of December last year. Fitch Ratings calculates higher shipping costs will add 0.4 percentage points (pp) to core inflation in the US by the end of 2024.

### Forecast 2024:

GDP: **0.5%**

HICP Inflation: **2.3%**

### Forecast 2025:

GDP: **1.2%**

HICP Inflation: **2%**

## UNITED KINGDOM

Survey results, for 1 087 respondents assessed between 15 January and 9 February, from the British Chambers of Commerce Insights Unit showed that 55% of exporters surveyed reported a disruption to operations given the conflict in the Red Sea. In addition, 53% of manufacturers and business-to-consumer service firms reported disruption. Some companies indicated that expenses for container hires had increased fourfold, while others encountered delivery delays lasting three to four weeks, alongside challenges related to cash flow and shortages of parts. These survey results were corroborated by the S&P Global Purchasing Managers' Index (PMI) results for February, which flagged the highest degree of supply chain delays in one-and-a-half years and the second-highest reading (outside of the pandemic) for suppliers' delivery times in 13 years. The PMI Output Prices Index suggests headline inflation will remain sticky at around 4% in the coming months.

### Forecast 2024:

GDP: **0.6%**

Inflation: **2.4%**

### Forecast 2025:

GDP: **1%**

Inflation: **1.8%**

## CHINA

**Forecast 2024:**  
GDP: **4.6%**  
Inflation: **0.9%**  
**Forecast 2025:**  
GDP: **4.5%**  
Inflation: **1.6%**

Despite China's mediation of a peace agreement between Saudi Arabia and Iran in March 2023, highlighting its growing influence in the Middle East, Chinese diplomacy has been notably absent as the region descends into turmoil. Houthi attacks on Red Sea shipping have impacted Chinese trade and begun to strangle some of its regional partners. China's dependency on the Middle East has long been a vulnerability, with roughly half of its imported oil originating from the region over the past two decades. Additionally, the Middle East hosts three crucial shipping chokepoints through which many Chinese containers destined for Africa, Europe and the US's East Coast pass. Despite this, the Chinese government is forging its path, distancing itself from US actions in the Middle East and even refraining from condemning the Houthis, while seeking to leverage ties with key regional actors to address the crisis.

**Forecast 2024:**  
GDP: **4.1%**  
Inflation: **7.5%**  
**Forecast 2025:**  
GDP: **4.1%**  
Inflation: **4.2%**

## EMERGING MARKETS

The International Monetary Fund (IMF) downgraded its real growth forecast for the Middle East and North Africa (MENA) region to 2.9% in its January update from 3.4% in its October 2023 World Economic Outlook report. Outside of the regional conflict impacting economic activity, oil production cuts and still tight monetary conditions continue to weigh on growth in the region. The IMF notes that tourism serves as a crucial economic driver in numerous MENA economies, contributing anywhere from two to 20% percent of GDP and between five and 50% percent of goods and services exports before the pandemic. As such, it functions as a significant conduit for shocks. Consequently, any escalation or spread of the conflict beyond Gaza and Israel or intensified disruptions in the Red Sea will inevitably hinder growth. Egypt is particularly at risk given that fiscal revenue from the Suez Canal amounts to 1.2% of GDP and accounts for 2.2% of GDP in Egypt's balance of payments receipts. Meanwhile talks with the IMF to boost its loan programme are progressing.

**Forecast 2024:**  
GDP: **1%**  
Inflation: **5.4%**  
**Forecast 2025:**  
GDP: **1.7%**  
Inflation: **4.5%**

## SOUTH AFRICA

Increased activity around the Cape of Good Hope stemming from the Red Sea conflict has reignited concerns regarding South Africa's (SA) ports' capacity to manage heightened traffic. According to the World Bank's Container Port Performance Index for 2022 (released in May 2023), the Port of Cape Town ranked 344th out of 348 ports worldwide. Recently, the Department of Economic Development and Tourism hosted the Western Cape Government's fifth annual Port Stakeholder Engagement, where it was highlighted that over 55% of the country's primary agricultural exports pass through the Port of Cape Town. However, the Western Cape Premier pointed out that the Cape Town Container Terminal is presently operating at only half of its required capacity. The *Business Day* highlighted an opportunity for SA's stone fruit industry, given the struggles of its competitors in Chile and Peru to navigate the Panama Canal due to regional droughts, compounded by Houthi attacks disrupting the shipping route to Europe. During the previous season, 41% of SA's stone fruit was exported to Europe, with 26% going to the UK alone. Nevertheless, delays at the Port of Cape Town are estimated to range from two to three weeks, potentially resulting in the loss of 10% to 20% of producers' value if fruit is not shipped efficiently. Under Operation Vulindlela's direction, a new board has been appointed for the National Ports Authority to operate as an independent subsidiary of Transnet, which should improve container freight operations and lower costs.

## The macro research desk

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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.



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# Indices summary for February 2024



	One month	Three months	One year	Three years	Four years	Five years	Six years	Seven years	Ten years
<b>Equity indices</b>									
FTSE/JSE All-Share Index (Alsi)	-2.44%	-3.41%	-2.86%	7.53%	13.44%	9.32%	7.55%	8.91%	7.93%
FTSE/JSE Shareholder Weighted Index (Swix)	-2.19%	-2.49%	-2.06%	5.41%	10.24%	6.62%	4.45%	6.25%	6.61%
FTSE/JSE Capped Swix All Share index	-2.27%	-2.30%	-1.97%	7.77%	11.59%	7.00%	4.68%	5.98%	6.42%
FTSE/JSE All Share Top 40 Index	-2.48%	-4.55%	-4.20%	7.10%	13.72%	9.79%	8.03%	9.64%	7.93%
FTSE/JSE Mid Cap Index	-2.99%	1.75%	-0.15%	8.58%	8.27%	5.07%	3.27%	3.63%	6.41%
FTSE/JSE Small Cap Index	-2.04%	5.65%	7.46%	18.96%	21.72%	12.80%	7.55%	6.24%	8.18%
FTSE/JSE Resources Index	-6.92%	-12.82%	-17.31%	-1.97%	11.92%	8.86%	12.48%	12.98%	4.33%
FTSE/JSE Financials Index	-0.94%	2.48%	9.24%	16.48%	10.86%	4.68%	3.02%	5.36%	7.21%
FTSE/JSE Industrials Index	-0.74%	-1.25%	-0.18%	7.88%	13.35%	10.21%	6.24%	7.66%	8.05%
FTSE/JSE Research Affiliates Fundamental Indices 40 Index (Rafi)	-2.38%	-2.49%	-5.53%	12.15%	15.18%	9.28%	8.20%	9.86%	8.16%
FTSE/JSE Research Affiliates Fundamental Indices All Share Index	-2.31%	-2.03%	-4.98%	11.36%	14.66%	8.91%	7.78%	9.18%	7.85%
FTSE/JSE SA Listed Property Index (Sapy)	0.83%	15.31%	17.58%	14.80%	6.25%	0.62%	-0.37%	-1.21%	3.73%
FTSE/JSE All Property Index (ALPI)	-0.34%	14.39%	16.28%	13.77%	5.50%	-0.51%	-1.31%	-2.14%	2.24%
<b>Interest-bearing indices</b>									
FTSE/JSE All Bond Index (Albi)	-0.58%	1.62%	7.64%	7.18%	7.46%	7.75%	7.15%	8.15%	8.09%
FTSE/JSE All Bond Index 1-3 years (Albi)	-0.04%	1.85%	8.62%	6.80%	7.35%	7.52%	7.60%	7.92%	7.81%
FTSE/JSE Inflation-linked Index (Ili)	-0.77%	1.46%	6.89%	7.18%	7.30%	6.13%	5.38%	4.67%	5.61%
Short-term Fixed Interest Composite Index (Stefi)	0.65%	2.06%	8.30%	5.95%	5.67%	5.98%	6.19%	6.38%	6.48%
<b>Commodities</b>									
NewGold Exchange-Traded Fund	2.92%	1.95%	17.45%	14.20%	11.41%	15.96%	16.42%	12.92%	10.34%
Gold price (in rands)	1.25%	1.54%	16.40%	14.15%	11.47%	16.05%	16.60%	13.16%	10.60%
Platinum Exchange-Traded Fund	-1.38%	-3.06%	-2.50%	-1.80%	5.63%	6.58%	6.34%	3.12%	0.49%
Platinum price (in rands)	-3.36%	-4.04%	-3.92%	-4.00%	4.27%	5.84%	5.92%	2.82%	0.48%
<b>Currency movements</b>									
Rand/euro movements	2.64%	1.03%	6.60%	4.59%	4.96%	5.40%	6.34%	5.94%	3.45%
Rand/dollar movements	2.92%	1.51%	4.55%	8.50%	5.23%	6.41%	8.44%	5.62%	5.97%
<b>Inflation index</b>									
Consumer Price Index (CPI)			5.32%	5.97%	5.26%	5.10%	4.92%	4.84%	5.11%
<b>Global indices</b>									
MSCI World Index (All Countries)	5.89%	11.78%	28.17%	15.23%	18.04%	17.44%	17.22%	15.78%	14.60%
MSCI Developed Markets Index	7.29%	12.34%	30.64%	17.88%	19.42%	18.82%	18.97%	16.96%	15.58%
MSCI Emerging Markets Index	7.05%	5.57%	13.05%	0.49%	7.51%	8.17%	7.96%	9.45%	9.17%
Global Property Research (GPR) 250 REIT Index	5.51%	7.54%	9.29%	18.89%	11.97%	15.29%	22.44%	14.59%	17.36%
MSCI Africa Index	-3.69%	-4.16%	-4.69%	-0.48%	3.63%	1.15%	-0.49%	1.86%	2.01%
FTSE World Government Bond Index	2.08%	1.94%	6.85%	0.84%	0.71%	4.15%	6.34%	4.86%	5.05%
Three-month US dollar LIBOR rate	3.36%	2.86%	10.00%	11.17%	7.26%	8.51%	10.43%	7.49%	7.44%
Three-month Euro LIBOR rate	2.97%	2.03%	11.45%	5.90%	5.83%	6.01%	6.79%	6.26%	3.65%
ICE LIBOR 1 Month USD ZAR converted	3.60%	2.64%	10.28%	11.17%	7.32%	8.68%	10.76%	7.76%	7.57%
FTSE EPRA/NAREIT Developed Index	2.02%	7.16%	5.79%	7.80%	5.07%	7.02%	11.18%	7.87%	9.75%

## Important notes

1. Sources: Momentum Investments, IRESS, [www.msci.com](http://www.msci.com), [www.yieldbook.com](http://www.yieldbook.com), [www.ft.com](http://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 Momentum Flexible Factor Portfolio Range

### MCAA Momentum Flexible Factor 7 Portfolio

Factsheet at 29 February 2024

**Target:** CPI + 5% to 6%

**Investment horizon:** Seven years

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

#### Momentum outcome-based investing philosophy

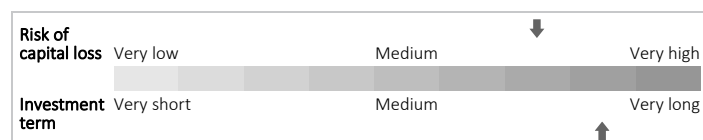
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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

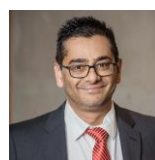
This portfolio is aimed at investors who are in the accumulation phase of investing. It has a long-term investment horizon and, therefore, the aim is to maintain an average exposure of 79.5% to growth asset classes (local and global equities and property). The portfolio consists of the full universe 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

<b>Launch date:</b>	January 2000
<b>Benchmark:</b>	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%
<b>Target:</b>	Inflation plus 5% to 6% over seven-year rolling periods
<b>Reg. 28 compliant:</b>	Yes



#### Portfolio managers



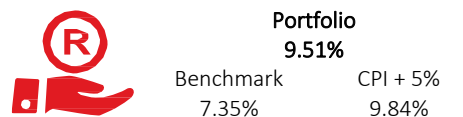
**Mohammed Sibda**  
BCom



**Nina Saad**  
BSc, CFA

#### Long-term outcomes

##### Return over the investment horizon



The annualised return over the investment horizon of the fund.

##### Hit rate



**Portfolio**  
75.85%

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

##### Average shortfall

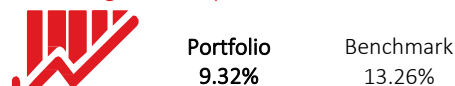


**Portfolio**  
-1.53%

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

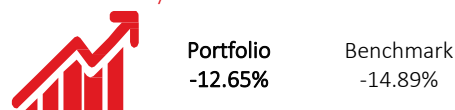
#### Short-term risk

##### Risk of negative one-year return



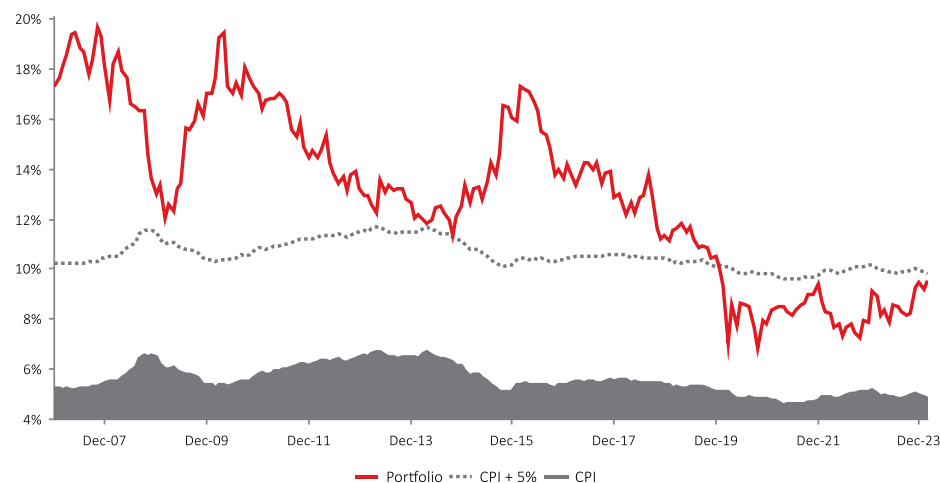
The likelihood of negative returns over any one-year rolling period.

##### Minimum one-year returns



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
<b>Portfolio</b>	<b>1.20%</b>	<b>3.65%</b>	<b>9.93%</b>	<b>9.18%</b>	<b>11.61%</b>	<b>12.43%</b>	<b>10.66%</b>	<b>9.61%</b>	<b>9.51%</b>	<b>12.58%</b>
Benchmark <sup>1</sup>	0.81%	3.26%	8.39%	6.93%	10.00%	10.61%	7.90%	6.61%	7.35%	12.27%
Risk-adjusted ratio <sup>2</sup>					1.34	1.04	0.97	0.90	0.92	1.25
CPI + 5%	0.49%	1.23%	10.33%	11.11%	10.97%	10.26%	10.11%	9.92%	9.84%	10.56%

<sup>1</sup>The benchmark is calculated using the composite benchmark allocation.

<sup>2</sup>A ratio of the actual return achieved per unit of risk taken.

## Index returns

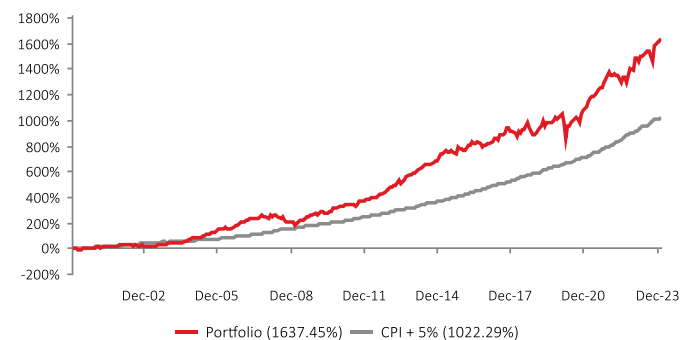
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	7.00%	5.98%	<b>45.00%</b>
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	-0.51%	-2.14%	<b>3.00%</b>
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.75%	8.15%	<b>10.00%</b>
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.98%	6.38%	<b>5.00%</b>
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	17.44%	15.78%	<b>28.00%</b>
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	7.02%	7.87%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	4.15%	4.86%	<b>3.50%</b>
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	8.68%	7.76%	<b>2.00%</b>

## Investment manager returns

	One year	Three years	Seven years
<b>Local balanced</b>			
Abax Investments	2.23%	13.94%	8.24%
Coronation	3.14%	9.29%	8.32%
Foord	7.16%	10.29%	7.16%
Ninety One	-1.82%	6.65%	7.36%
<b>Local cash</b>			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
<b>Local alternative</b>			
Momentum Aggressive FoHF	3.35%	9.88%	5.68%
Momentum Alternative Inv. (private equity BB)	8.76%	15.51%	4.52%
Momentum Portable Alpha FoHF	-1.16%	9.33%	7.97%
Momentum Special Opportunities	4.41%	7.09%	7.99%
<b>Global equity</b>			
Momentum Global Investment Management	27.37%	15.12%	15.76%
<b>Global property</b>			
Momentum Global Property	5.43%	6.92%	
<b>Global bond</b>			
Amundi	7.49%	2.24%	5.31%
<b>Global cash</b>			
State Street			

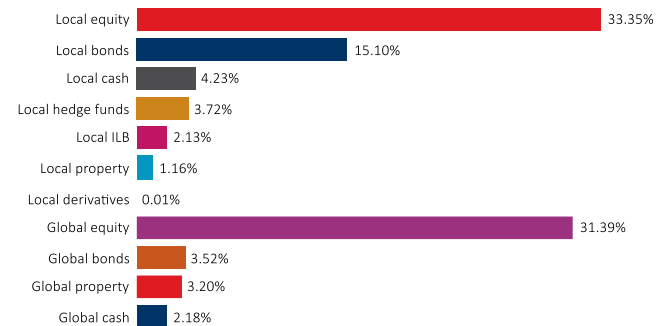
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

## 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	2.84%
Blackrock inc	2.82%
Naspers Limited	2.41%
Prosus NV N	2.17%
FirstRand Limited	1.95%
Republic of South Africa R2032	1.60%
Standard Bank Group Limited	1.46%
Compagnie Financiere Richmond Sa	1.45%
Nedgroup Collective Investments (RF) Proprietary Limited	1.37%
Momentum RCIS Multi Mgd ZAR Capi Alpha QI HF B1	1.34%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.



## Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

Indications of slowing US economic activity in 2024, along with expectations for the start of a subsequent US easing policy cycle, would provide positive support to both the US bond and equity markets.

Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 7.1% for the quarter, which was below 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

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



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Signatory of:



## MCAA Momentum Flexible Factor Portfolio Range

### MCAA Momentum Flexible Factor 6 Portfolio

Factsheet at 29 February 2024

**Target:** CPI + 4% to 5%

**Investment horizon:** Six years

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

#### Momentum outcome-based investing philosophy

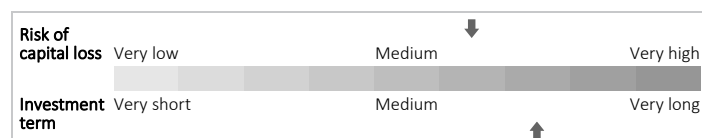
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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

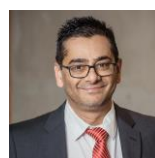
This portfolio is aimed at investors who are in the accumulation phase of investing. It has a medium- to long-term investment horizon and, therefore, the aim is to maintain an average exposure of 67.5% to growth asset classes (local and global equities and property), with a small allocation to defensive 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

<b>Launch date:</b>	January 2000
<b>Benchmark:</b>	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%
<b>Target:</b>	Inflation plus 4% to 5% over six-year rolling periods
<b>Reg. 28 compliant:</b>	Yes



#### Portfolio managers



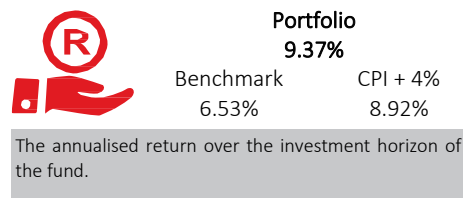
**Mohammed Sibda**  
BCom



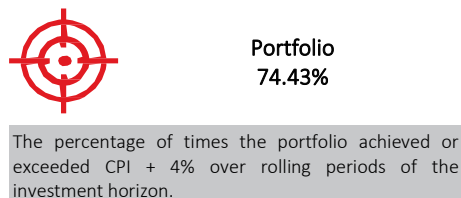
**Nina Saad**  
BSc, CFA

#### Long-term outcomes

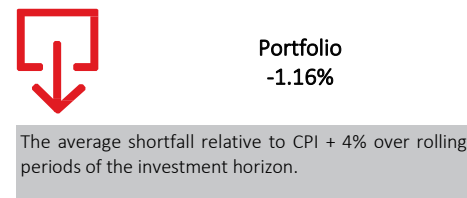
##### Return over the investment horizon



##### Hit rate

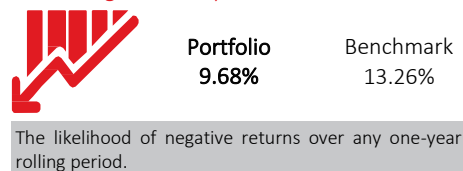


##### Average shortfall

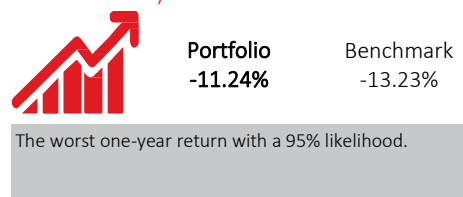


#### Short-term risk

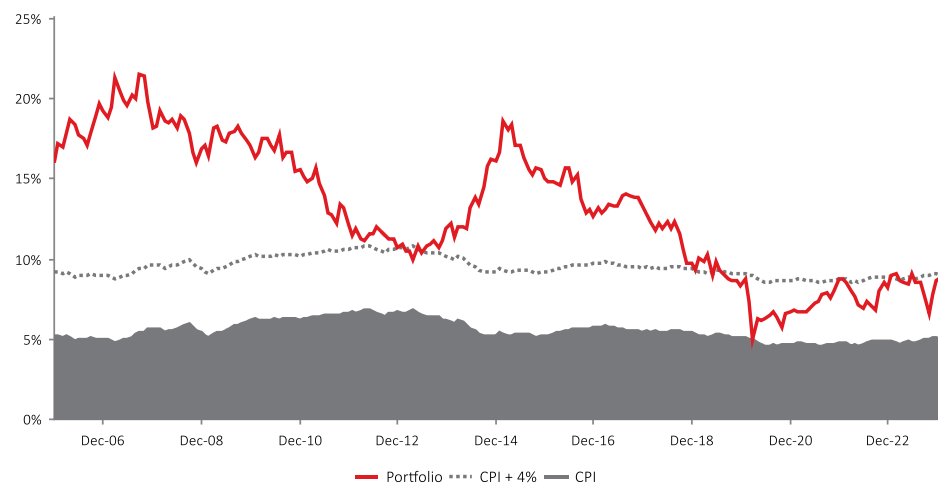
##### Risk of negative one-year return



##### Minimum one-year returns



#### 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
<b>Portfolio</b>	<b>1.10%</b>	<b>3.44%</b>	<b>9.77%</b>	<b>9.10%</b>	<b>11.51%</b>	<b>12.18%</b>	<b>10.32%</b>	<b>9.37%</b>	<b>9.16%</b>	<b>12.51%</b>
Benchmark <sup>1</sup>	0.82%	3.25%	8.77%	7.13%	9.60%	9.96%	7.52%	6.53%	7.17%	12.10%
Risk-adjusted ratio <sup>2</sup>					1.36	1.04	0.96	0.89	0.91	1.28
CPI + 4%	0.41%	0.99%	9.33%	10.11%	9.97%	9.26%	9.11%	8.92%	8.84%	9.55%

<sup>1</sup>The benchmark is calculated using the composite benchmark allocation.

<sup>2</sup>A ratio of the actual return achieved per unit of risk taken.

## Index returns

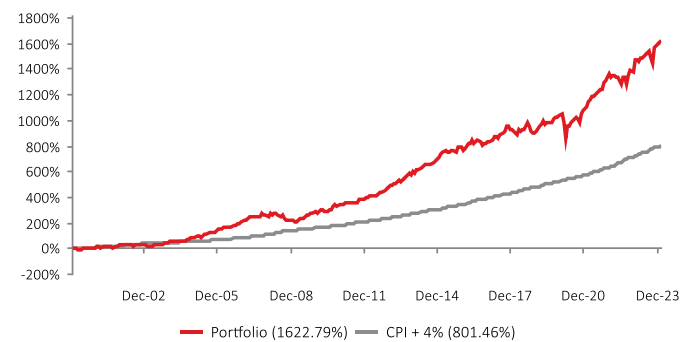
Asset class	Index	One month	One year	Two years	Three years	Five years	Six years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	7.00%	4.68%	<b>36.50%</b>
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	-0.51%	-1.31%	<b>2.50%</b>
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.75%	7.15%	<b>18.50%</b>
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.98%	6.19%	<b>7.00%</b>
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	17.44%	17.22%	<b>25.00%</b>
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	7.02%	11.18%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	4.15%	6.34%	<b>5.00%</b>
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	8.68%	10.76%	<b>2.00%</b>

## Investment manager returns

	One year	Three years	Seven years
<b>Local balanced</b>			
Abax Investments	2.23%	13.94%	8.24%
Coronation	3.14%	9.29%	8.32%
Foord	7.16%	10.29%	7.16%
Ninety One	-1.82%	6.65%	7.36%
<b>Local cash</b>			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
<b>Local alternative</b>			
Momentum Aggressive FoHF	3.35%	9.88%	5.68%
Momentum Alternative Inv. (private equity BB)	8.76%	15.51%	4.52%
Momentum Portable Alpha FoHF	-1.16%	9.33%	7.97%
Momentum Special Opportunities	4.41%	7.09%	7.99%
<b>Global equity</b>			
Momentum Global Investment Management	27.37%	15.12%	15.76%
<b>Global property</b>			
Momentum Global Property	5.43%	6.92%	
<b>Global bond</b>			
Amundi	7.49%	2.24%	5.31%
<b>Global cash</b>			
State Street			

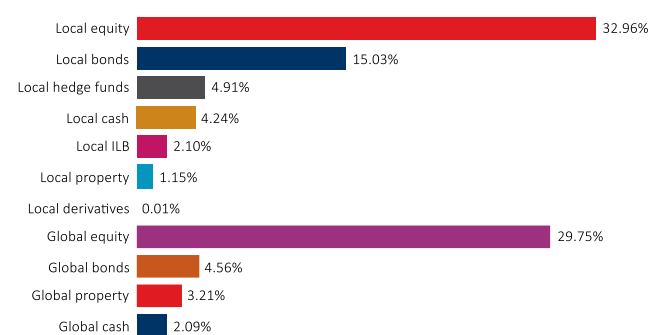
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

## 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	2.83%
Blackrock inc	2.62%
Naspers Limited	2.40%
Prosus NV N	2.17%
FirstRand Limited	1.94%
Momentum RCIS Multi Mgd ZAR Equity Hedge QI HF B1	1.73%
Republic of South Africa R2032	1.59%
Momentum RCIS Multi Mgd ZAR Capi Alpha QI HF B1	1.48%
Standard Bank Group Limited	1.45%
Compagnie Financiere Richmond Sa	1.44%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.



## Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

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Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 7% for the quarter, which was below 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%.

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Signatory of:



# MCAA Momentum Flexible Factor Portfolio Range

## MCAA Momentum Flexible Factor 5 Portfolio

Factsheet at 29 February 2024

**Target:** CPI + 3% to 4%

**Investment horizon:** Five years

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

### Momentum outcome-based investing philosophy

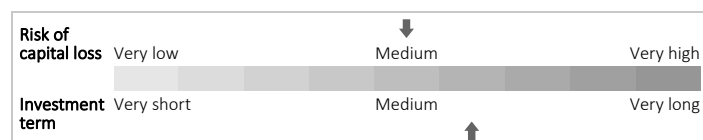
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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

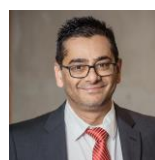
This portfolio is aimed at investors who are in the consolidation phase of investing. It has a medium-term investment horizon and, therefore, the aim is to maintain an average exposure of 56% to growth asset classes (local and global equities and property). The remaining exposure is to asset classes 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

<b>Launch date:</b>	March 2011
<b>Benchmark:</b>	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%
<b>Target:</b>	Inflation plus 3% to 4% over five-year rolling periods
<b>Reg. 28 compliant:</b>	Yes



### Portfolio managers



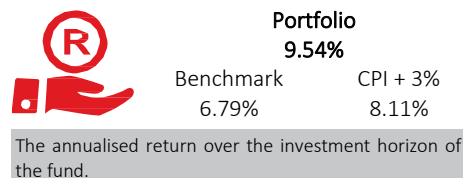
**Mohammed Sibda**  
BCom



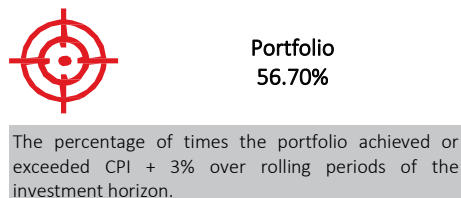
**Nina Saad**  
BSc, CFA

### Long-term outcomes

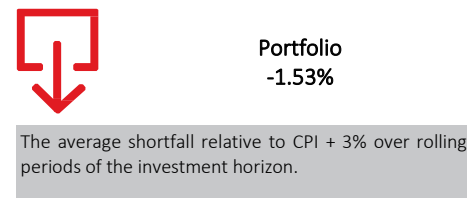
#### Return over the investment horizon



#### Hit rate

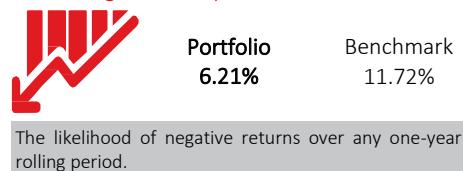


#### Average shortfall

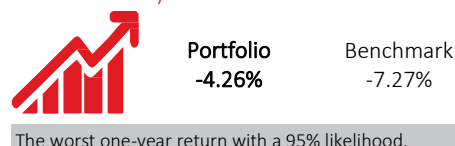


### Short-term risk

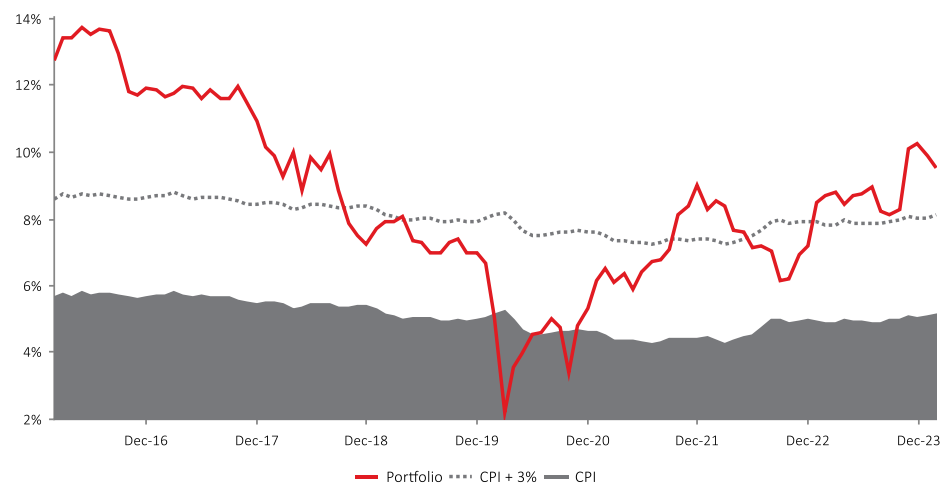
#### Risk of negative one-year return



#### Minimum one-year returns



### 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
<b>Portfolio</b>	<b>0.92%</b>	<b>2.81%</b>	<b>9.07%</b>	<b>8.31%</b>	<b>10.94%</b>	<b>11.37%</b>	<b>9.54%</b>	<b>8.78%</b>	<b>8.47%</b>	<b>9.90%</b>
Benchmark <sup>1</sup>	0.75%	3.06%	8.87%	7.22%	9.05%	8.94%	6.79%	6.00%	6.58%	8.99%
Risk-adjusted ratio <sup>2</sup>					1.45	1.04	0.95	0.91	0.92	1.31
CPI + 3%	0.33%	0.74%	8.32%	9.10%	8.97%	8.26%	8.11%	7.92%	7.84%	8.27%

<sup>1</sup>The benchmark is calculated using the composite benchmark allocation.

<sup>2</sup>A ratio of the actual return achieved per unit of risk taken.

## Index returns

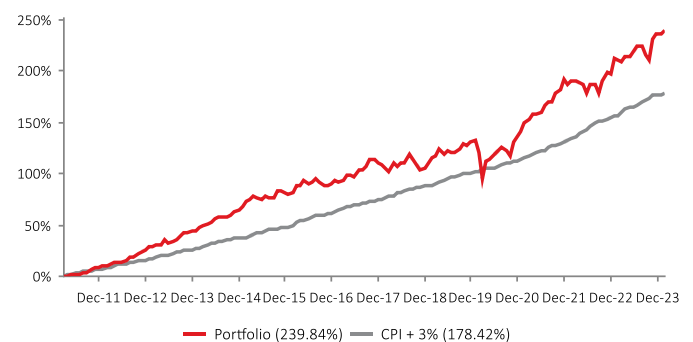
Asset class	Index	One month	One year	Two years	Three years	Five years	Seven years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	7.00%	5.98%	<b>30.00%</b>
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	-0.51%	-2.14%	<b>2.50%</b>
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.75%	8.15%	<b>23.00%</b>
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.98%	6.38%	<b>12.00%</b>
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	17.44%	15.78%	<b>20.00%</b>
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	7.02%	7.87%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	4.15%	4.86%	<b>5.00%</b>
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	8.68%	7.76%	<b>4.00%</b>

## Investment manager returns

	One year	Three years	Seven years
<b>Local balanced</b>			
Abax Investments	2.23%	13.94%	8.24%
Coronation	3.14%	9.29%	8.32%
Foord	7.16%	10.29%	7.16%
Ninety One	-1.82%	6.65%	7.36%
<b>Local absolute-return</b>			
Laurium	1.48%	8.34%	7.10%
M&G Investments	1.09%	9.70%	7.41%
Prescient	7.40%	8.59%	7.40%
Sentio	1.63%	6.63%	5.15%
SIM	0.27%	0.50%	0.23%
<b>Local cash</b>			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
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Momentum Aggressive FoHF	3.35%	9.88%	5.68%
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<b>Global equity</b>			
Momentum Global Investment Management	27.37%	15.12%	15.76%
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<b>Global cash</b>			
State Street			

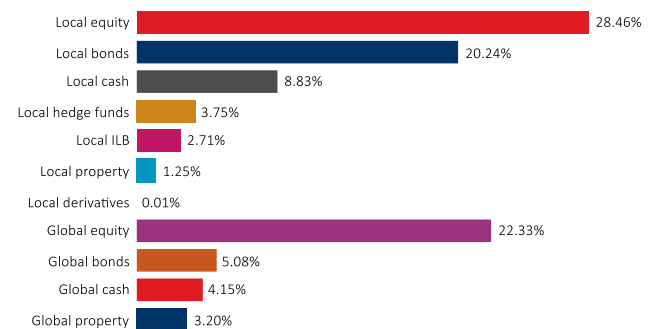
Where no returns are shown, the investment manager has a return history in this portfolio of less than the relevant period (one, three or seven years).

## Cumulative returns



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

## Effective asset allocation



## The 10-largest portfolio holdings

Holding	
Blackrock inc	2.02%
Prosus NV N	1.86%
Local cash	1.78%
Naspers Limited	1.70%
Momentum RCIS Multi Mgd ZAR Equity Hedge QI HF B1	1.66%
FirstRand Limited	1.56%
Momentum RCIS Multi Mgd ZAR Capi Alpha QI HF B1	1.50%
Republic of South Africa R2040	1.48%
Momentum RCIS Multi Mgd ZAR Rubix Alpha QI HF B1	1.35%
Republic of South Africa R2037	1.26%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.



## Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

Indications of slowing US economic activity in 2024, along with expectations for the start of a subsequent US easing policy cycle, would provide positive support to both the US bond and equity markets.

Escalating logistical challenges are affecting rail and port efficiency and dampening growth prospects in South Africa (SA) even as energy constraints are expected to ease. The inability to resolve these bottlenecks is a challenge for the ruling party as we approach the 2024 national elections. Moreover, SA's interest burden and social demands remain high, hindering a swift stabilisation in the country's debt ratio. Though renewed risks to the SA inflation forecast exist, demand-led pressures and wage inflation are expected to remain contained. The SA Reserve Bank is expected to continue talking tough on inflation even though the next move in interest rates is likely lower from here, most likely by the middle of 2024.

A significant risk premium is embedded in rock-bottom SA equity valuations, with little positive sentiment towards this very underowned asset class by local and foreign fund managers. There is thus scope for a rerating should there be an improvement in some of the local impediments over time, or if a global risk-on environment takes hold. SA nominal bonds similarly discount lots of bad news. A break-even widening in the second half of 2024 should provide more fundamental support for inflation-linked bonds as 2024 unfolds. SA listed property nominal and real dividend yields are among the highest in the world. However, the delayed impact of higher interest rates is already starting to hurt SA listed property companies.

The portfolio delivered a return of 6.1% for the quarter, which was below 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.



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



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Signatory of:



## MCAA Momentum Flexible Factor Portfolio Range

### MCAA Momentum Flexible Factor 4 Portfolio

Factsheet at 29 February 2024

**Target:** CPI + 2% to 3%

**Investment horizon:** Four years

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

#### Momentum outcome-based investing philosophy

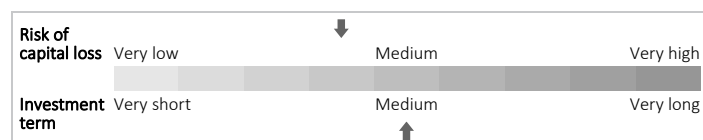
Investment success is about consistently maximising the probability of you achieving your investment goals – whether that is to preserve capital, generate an income stream in retirement or grow wealth within the parameters of a certain risk profile. In response to the ever-evolving investment landscape, 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

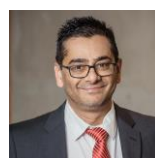
This portfolio is aimed at investors who are in the pre-retirement and consolidation phase of investing. It has a short- to medium-term investment horizon and, therefore, the aim is to maintain an average exposure of 43.5% to growth asset classes (local and global equities and property). The remaining 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

<b>Launch date:</b>	March 2011
<b>Benchmark:</b>	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%
<b>Target:</b>	Inflation plus 2% to 3% over four-year rolling periods
<b>Reg. 28 compliant:</b>	Yes



#### Portfolio managers



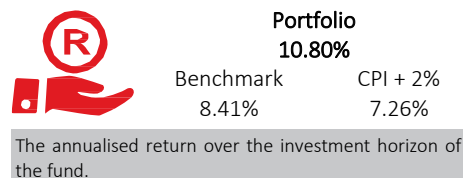
**Mohammed Sibda**  
BCom



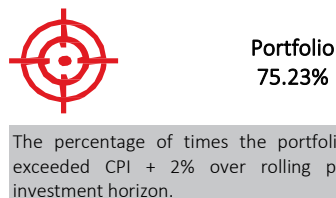
**Nina Saad**  
BSc, CFA

#### Long-term outcomes

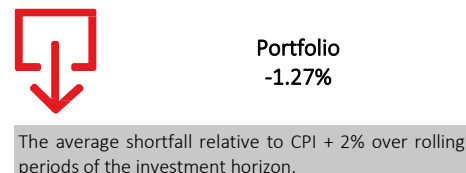
##### Return over the investment horizon



##### Hit rate

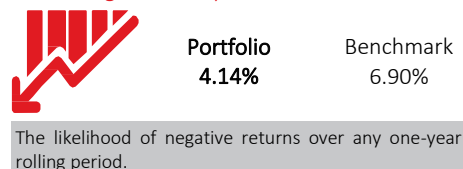


##### Average shortfall

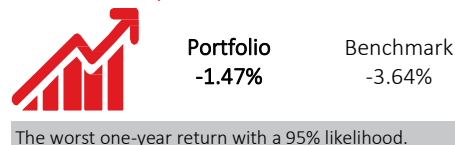


#### Short-term risk

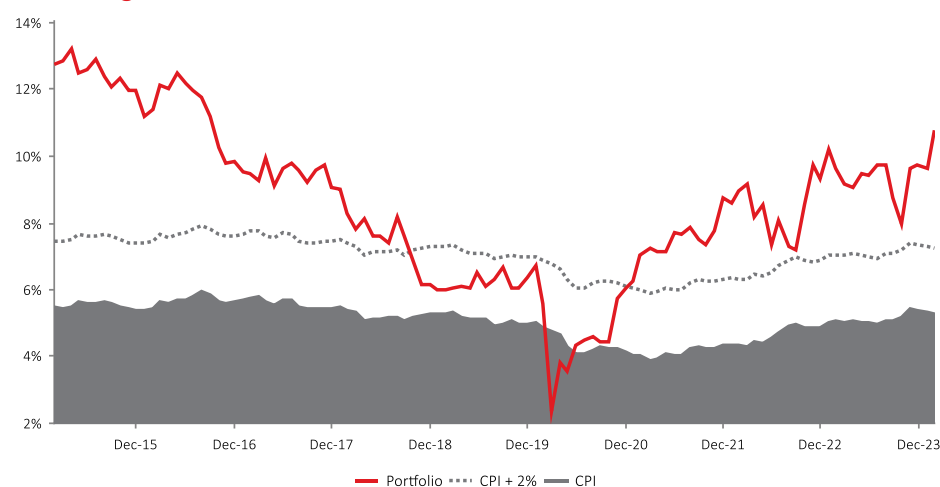
##### Risk of negative one-year return



##### Minimum one-year returns



#### 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
<b>Portfolio</b>	<b>0.89%</b>	<b>2.70%</b>	<b>8.54%</b>	<b>8.05%</b>	<b>10.38%</b>	<b>10.80%</b>	<b>9.43%</b>	<b>8.66%</b>	<b>8.46%</b>	<b>9.35%</b>
Benchmark <sup>1</sup>	0.84%	3.23%	9.78%	7.71%	8.60%	8.41%	6.94%	6.24%	6.70%	8.57%
Risk-adjusted ratio <sup>2</sup>					1.58	1.21	1.15	1.10	1.13	1.51
CPI + 2%	0.25%	0.50%	7.32%	8.10%	7.97%	7.26%	7.10%	6.92%	6.84%	7.27%

<sup>1</sup>The benchmark is calculated using the composite benchmark allocation.

<sup>2</sup>A ratio of the actual return achieved per unit of risk taken.

## Index returns

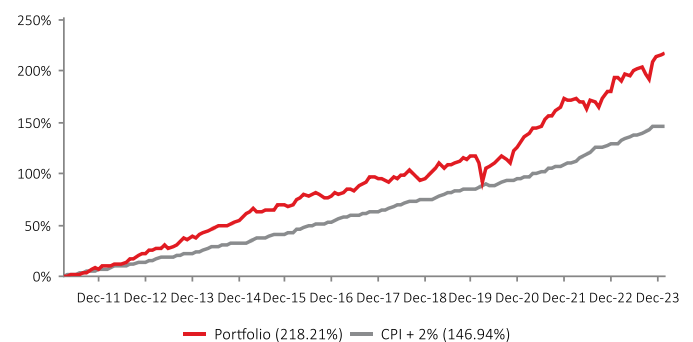
Asset class	Index	One month	One year	Two years	Three years	Four years	Five years	Strategic allocation
Local equity	FTSE/JSE Capped SWIX All Share Index	-2.27%	-1.97%	0.85%	7.77%	11.59%	7.00%	<b>20.00%</b>
Local property	FTSE/JSE All Property Index	-0.34%	16.28%	9.50%	13.77%	5.50%	-0.51%	<b>2.50%</b>
Local bond	FTSE/JSE All Bond Index	-0.58%	7.64%	6.27%	7.18%	7.46%	7.75%	<b>30.00%</b>
Local cash	STeFI Composite Index	0.65%	8.30%	6.99%	5.95%	5.67%	5.98%	<b>17.00%</b>
Global equity	MSCI All Countries World Index	5.89%	28.17%	18.32%	15.23%	18.04%	17.44%	<b>17.50%</b>
Global property	FTSE EPRA/NAREIT Developed Index	2.02%	5.79%	3.95%	7.80%	5.07%	7.02%	<b>3.50%</b>
Global bond	FTSE World Government Bond Index	2.08%	6.85%	3.70%	0.84%	0.71%	4.15%	<b>5.00%</b>
Global cash	ICE BofA US 1-Month Treasury Bill Index	3.60%	10.28%	15.99%	11.17%	7.32%	8.68%	<b>4.50%</b>

## Investment manager returns

	One year	Three years	Seven years
<b>Local balanced</b>			
Abax Investments	2.23%	13.94%	8.24%
Coronation	3.14%	9.29%	8.32%
Foord	7.16%	10.29%	7.16%
Ninety One	-1.82%	6.65%	7.36%
<b>Local absolute-return</b>			
Laurium	1.48%	8.34%	7.10%
M&G Investments	1.09%	9.70%	7.41%
Prescient	7.40%	8.59%	7.40%
Sentio	1.63%	6.63%	5.15%
SIM	0.27%	0.50%	0.23%
<b>Local cash</b>			
ALUWANI	9.63%	7.26%	7.84%
Momentum Enhanced Yield	9.67%	7.19%	
Momentum Money Market	9.19%	6.79%	
<b>Local alternative</b>			
Momentum Aggressive FoHF	3.35%	9.88%	5.68%
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<b>Global bond</b>			
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State Street			

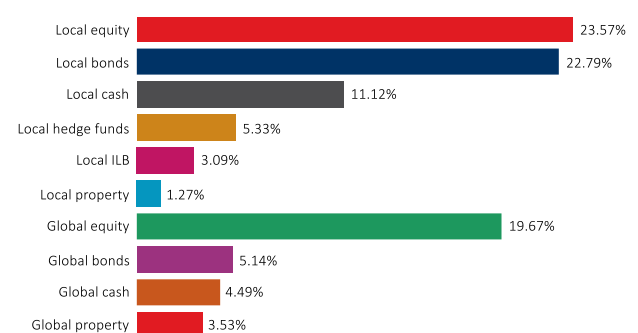
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## Cumulative returns



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

## Effective asset allocation



## The 10-largest portfolio holdings

Holding	
Momentum RCIS ZAR Diversified QI FoHF B1	3.15%
Local cash	2.71%
Prosus NV N	1.79%
Blackrock inc	1.71%
Momentum RCIS Multi Mgd ZAR Equity Hedge QI HF B1	1.66%
Republic of South Africa R2037	1.61%
Republic of South Africa R2035	1.44%
FirstRand Limited	1.41%
Naspers Limited	1.35%
Republic of South Africa R209	1.16%

The 10-largest instruments at 31 January 2024, looking through all asset classes held.



## Quarterly portfolio commentary for Q4 2023

Past monetary policy tightening, constrained government coffers, lingering inflation and unpredictable geopolitical events will likely lead to a moderation in global growth in 2024. Nevertheless, the world economy faces varied growth paths. While robust consumer spending in the United States (US) is expected to slow as excess savings dry up, Europe is contending with economic pressures and calls for fiscal austerity will likely limit recovery. On the other hand, China is anticipated to benefit from meaningful policy announcements made late in 2023, following a disappointing response from authorities earlier last year. Despite global inflation having more than halved, the International Monetary Fund warns that inflation in 90% of inflation-targeting countries will likely still exceed central bank targets in 2024. Moreover, elections in 2024 for over half of the world's population will contribute to an uncertain geopolitical landscape.

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The portfolio delivered a return of 5.7% for the quarter, which was below the benchmark.



## Notes

Changes were made to the strategic asset allocations on 1 July 2023.

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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%.

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