

## Destiny Defensive Portfolio

March 2012

### Investment strategy

The investment strategy is to maximise the allocation of investment receipts towards retirement funding investments, and to objectively select and manage asset manager allocations on its members' behalf so as to maximise investment returns at an appropriate level of risk.

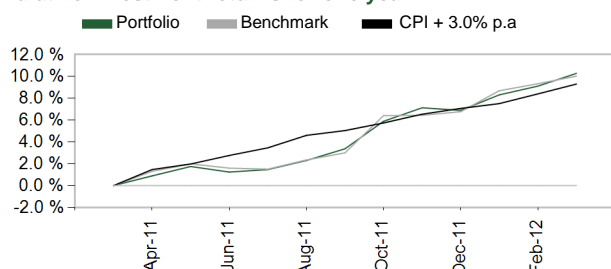
### Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	22.50%	FTSE/JSE Shareholder Weighted All-Share Index
Local bonds	15.00%	Bond Exchange Association of SA All Bond Index
Local cash	45.00%	Short-term Fixed Interest Composite Index
Global	17.50%	Global composite benchmark

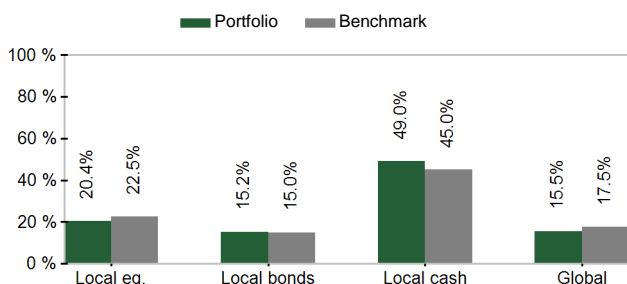
### Investment returns

	One Month	Three Months	One Year	Since Inception
Portfolio	1.08%	3.17%	10.28%	9.63%
Benchmark	0.64%	3.05%	10.02%	9.83%

### Cumulative investment returns for one year



### Asset allocation



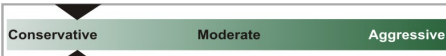
### Comments

From August 2011, the global benchmark was changed to 60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged). The underlying equity investment managers have been aligned across all the three Destiny portfolios: Moderate, Conservative and Defensive. The global allocation was changed from 15% to 17.5% in January 2011. In 2010, Allan Gray implemented a hard close on its mandate, which means the manager is not accepting daily cash flows from its existing clients. Coronation has recently notified all its existing clients that it will be implementing a soft close on its equity mandate, which is expected to take place in early 2012. Further details will be provided by Coronation. The total expense ratio is made up of the underlying investment managers' fees and Momentum Manager of Manager's policy fee but excludes GIB's annual asset platform fee which is a maximum of 0.75% (exclusive of VAT).

### Investment portfolio mandate

This investment portfolio is aimed at achieving capital preservation protected from extreme volatility. The portfolio's exposure to bonds and cash will increase in times of uncertainty. The portfolio is managed in compliance with Prudential Investment Guidelines and the limits of Annexure A to Regulation 28 of the Pension Funds Act.

### Investment portfolio information and risk analysis

Inception date	July 2009	
Investment horizon	Short to medium term	
Risk profile		
Total expense ratio (TER) (Calculation based on one-year period)	Portfolio	Benchmark
	0.50%	0.50%
Volatility	2.6%	3.4%
Maximum drawdown	-0.5%	-0.5%
Active risk	1.9%	
Sharpe ratio	1.8	1.3
Information ratio	0.1	
Beta	0.6	

### Largest 10 local equity holdings

	% of portfolio	% of equity
SABMiller Plc	0.9%	7.4%
Sasol Limited	0.8%	6.3%
BHP Billiton Plc	0.7%	5.9%
MTN Group Limited	0.6%	5.0%
Standard Bank Group Limited	0.6%	4.7%
Anglo American PLC	0.5%	4.3%
Remgro Limited	0.4%	3.6%
Aspen Pharmacare Holdings Limited	0.4%	3.1%
Sanlam Limited	0.3%	2.5%
Naspers Limited	0.3%	2.3%
<b>Total</b>	<b>5.5%</b>	<b>45.1%</b>

### Investment manager allocation and returns

	One Month	One Year	Weighting
<b>Local equity managers</b>			
Allan Gray	-0.45%	10.67%	8.2%
Coronation	-0.13%	9.12%	7.3%
Foord	1.04%	21.15%	5.5%
FTSE/JSE Shareholder Weighted All Share Index	0.02%	11.62%	
<b>Local bond managers</b>			
Momentum Asset Management	0.27%	13.82%	7.7%
Prescient	0.32%	13.46%	7.9%
BEASSA All Bond Index	0.12%	13.17%	
<b>Local cash managers</b>			
Momentum Asset Management	0.54%	6.99%	21.9%
Prescient	0.51%	6.17%	21.8%
Liquidity			4.3%
Short-term Fixed Interest Composite Index	0.45%	5.66%	
<b>Global manager</b>			
Allan Gray Life	4.97%	14.55%	15.5%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	2.66%	16.97%	
<b>Total</b>			<b>100%</b>

This investment portfolio is administered and managed by **Momentum Manager of Managers (Pty) Ltd**  
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