Monthly investment report

Destiny Moderate 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.

Investment portfolio mandate

This investment portfolio is aimed at income and capital growth. The equity content will be greater than the bond and cash components. The portfolio, however, would tend to be less volatile than the market as a whole. The portfolio is managed in compliance with Prudential Investment Guidelines as well as being comprehensively managed to comply with the limits of Annexure A to regulation 28 of the Pension Funds Act.

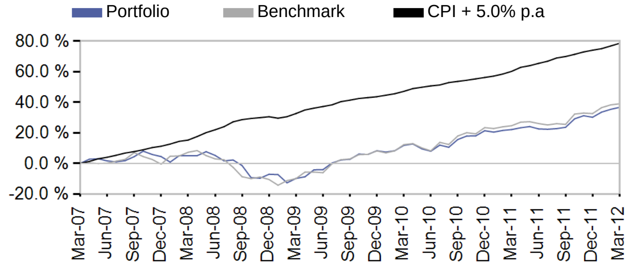
Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	52.50%	FTSE/JSE Shareholder Weighted All-Share Index
Local bonds	10.00%	Bond Exchange Association of SA All Bond Index
Local cash	20.00%	Short-term Fixed Interest Composite Index
Global	17.50%	Global composite benchmark

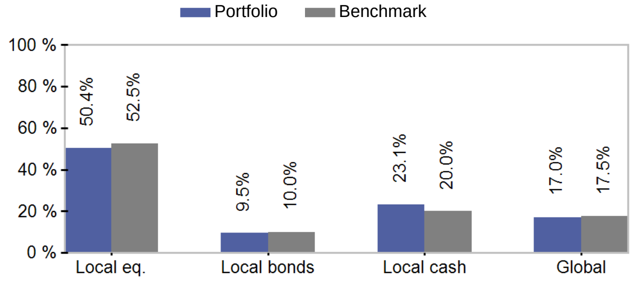
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	0.99%	4.97%	11.89%	14.88%	6.45%	17.08%
Benchmark	0.53%	4.83%	11.50%	15.56%	6.81%	15.44%

Cumulative investment returns for five years



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 returns are based on a combination of actual and back-tested returns from May 2003. The majority of the back-tested returns are based on actual building-block returns as most have lengthy track records.

Investment portfolio information and risk analysis

Inception date		July 2008
Investment horizon		Long term
Risk profile	Conservative / **Moderate** / Aggressive	
Total expense ratio (TER)		0.68%

(Calculation based on five-year period)	**Portfolio**	**Benchmark**
Volatility	8.7%	8.9%
Maximum drawdown	-19.2%	-21.0%
Active risk	9.6%	
Sharpe ratio	-0.2	-0.2
Information ratio	0.0	
Beta	0.4	

Largest 10 local equity holdings

	% of portfolio	% of equity
SABMiller Plc	2.3%	7.4%
Sasol Limited	1.9%	6.3%
BHP Billiton Plc	1.8%	5.9%
MTN Group Limited	1.5%	5.0%
Standard Bank Group Limited	1.4%	4.7%
Anglo American PLC	1.3%	4.3%
Remgro Limited	1.1%	3.6%
Aspen Pharmacare Holdings Limited	0.9%	3.1%
Sanlam Limited	0.8%	2.5%
Naspers Limited	0.7%	2.3%
Total	**13.7%**	**45.1%**

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers			
Allan Gray	-0.45%	10.67%	20.3%
Coronation	-0.13%	9.12%	18.0%
Foord	1.04%	21.15%	13.5%
FTSE/JSE Shareholder Weighted All Share Index	0.02%	11.62%	
Local bond managers			
Momentum Asset Management	0.27%	13.82%	4.8%
Prescient	0.32%	13.46%	4.9%
BEASSA All Bond Index	0.12%	13.17%	
Local cash managers			
Momentum Asset Management	0.54%	6.99%	11.1%
Prescient	0.51%	6.17%	7.3%
Liquidity			3.1%
Short-term Fixed Interest Composite Index	0.45%	5.66%	
Global manager			
Allan Gray Life	4.97%	14.55%	17.0%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	2.66%	16.97%	
Total			**100%**

EMPLOYEE BENEFITS
CONSULTANTS & ADMINISTRATORS