

Destiny Market Enhanced Portfolio

December 2017

Investment strategy

This investment portfolio is aimed at capital growth. The equity content is enhanced and will be significantly greater than the bond and cash components. The portfolio, however, would tend to be less volatile than the market as a whole. Periods of underperformance may occur in the short term and the portfolio is designed for enhanced long term investment goals.

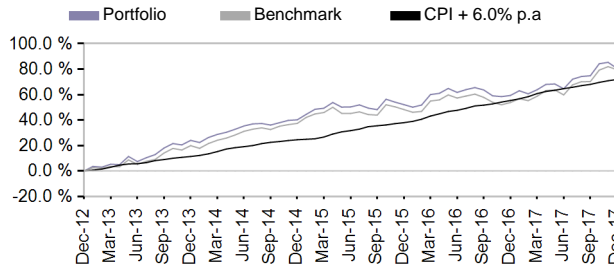
Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	60.00%	FTSE/JSE Shareholder Weighted All-Share Index
Local bonds	7.50%	Bond Exchange Association of SA All Bond Index
Local cash	5.00%	Short-term Fixed Interest Composite Index
Local property	5.00%	FTSE/JSE SA Listed Property Index
Global	22.50%	Global composite benchmark

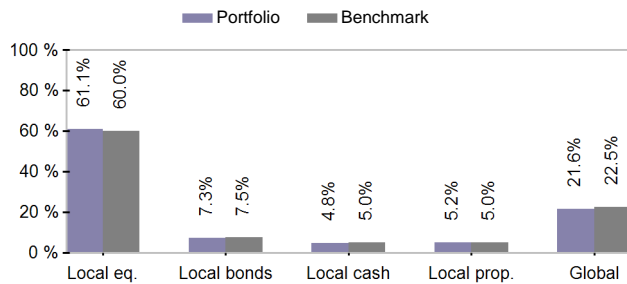
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	-2.57%	3.30%	13.32%	8.80%	12.54%	14.05%
Benchmark	-1.33%	5.48%	16.76%	9.34%	12.41%	13.64%
CPI + 6.0% p.a			10.62%	11.33%	11.43%	11.44%

Cumulative investment returns for five years



Asset allocation



Comments

The global asset class benchmark was increased by 2.5% effective 1 May 2016. Cash flows will be used to reach these target positions.

The returns since inception are from 1 November 2011. The total expense ratio (TER) was reduced from 1 October 2016. The TER is made up of the underlying investment managers' fees and Momentum Outcome-based Solutions portfolio management fee. The TER excludes GIB's annual asset platform fee, which is a maximum of 0.75% (exclusive of VAT). The TER excludes performance-based fees and these are limited to those charged by Foord, Fairtree and Allan Gray for its global portfolio.

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.

Investment portfolio information and risk analysis

Inception Date	May 2013
Investment Horizon	Long term
Risk Profile	Conservative Moderate Aggressive
Total Expense Ratio (TER)	0.52% (incl VAT)

Largest 10 local equity holdings

	% of portfolio	% of equity
Naspers Ltd	10.2%	15.0%
British American Tobacco Plc	3.6%	5.2%
Standard Bank	2.3%	3.4%
Sasol	2.2%	3.3%
MTN Group	1.9%	2.9%
Richemont	1.9%	2.8%
Aspen	1.7%	2.5%
Anglo	1.6%	2.4%
Old Mutual	1.3%	2.0%
BHP Bill	1.2%	1.8%
Total	27.9%	41.3%

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers	-2.26%	15.63%	
Fairtree	-0.17%	20.16%	15.4%
Coronation	-1.36%	16.33%	15.3%
Foord	-6.21%	4.68%	15.2%
FTSE/JSE Shareholder Weighted All Share Index	-0.16%	21.21%	
OMIG	-1.02%	23.91%	15.2%
FTSE/JSE Shareholder Weighted Index (SWIX) Top 40	-1.14%	24.00%	
Local property managers	4.21%	17.28%	
OMIG Property Tracker	4.21%	17.28%	5.2%
FTSE/JSE SA Listed Property Index	4.21%	17.15%	
Local bond managers	5.35%	10.76%	
ALUWANI	5.20%	10.48%	3.7%
Prescient	5.51%	11.05%	3.7%
BEASSA All Bond Index	5.66%	10.22%	
Local cash managers	0.66%	9.24%	
Momentum Asset Management	0.63%	9.33%	2.3%
Taquanta	0.70%	9.20%	2.2%
Liquidity			0.3%
Short-term Fixed Interest Composite Index	0.60%	7.54%	
Global equity managers	-7.67%	17.30%	
Allan Gray Life	-7.14%	7.88%	7.1%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	-8.47%	5.04%	
Blackrock (developed markets)	-7.40%	10.81%	3.6%
MSCI Developed Markets (BGI Lagged)	-8.02%	10.61%	
Blackrock (emerging markets)	-8.01%	23.98%	3.8%
MSCI Emerging Markets Index	-8.07%	24.21%	
Global bond managers	-8.72%	-3.45%	
State Street Global Advisors	-9.30%	-3.25%	7.1%
Citigroup World Government Bond Index	-9.14%	-2.89%	
Total			100%

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