

Equilibrium Global Cautious Portfolio

month ended 31 January 2024



Managed portfolio details

Investment manager: Equilibrium Investment Management	Platform availability: Momentum Wealth	Reporting currency: ZAR
Inception date: 01 January 2019	Investment timeframe: 3 years +	Investment manager fee: 0.25%
Investment target: Global Cash¹ +2.5% + ZAR/USD movement	Peer group: Morningstar Cautious Allocation²	Total investment charges (TIC) ³ : 0.62%

Investment objective

The portfolio is designed to offer capital preservation with some opportunity for capital appreciation over the medium term through investment in a diversified portfolio of international asset classes and currencies.

Risk appetite

The portfolio is ideally suited to investors with a low risk tolerance with an investment horizon of 3 years or longer.



Investment policy

The portfolio will invest primarily in participatory interests of collective investment schemes or other similar schemes whose underlying portfolios provide exposure to a diversified portfolio of investments across a broad range of asset classes, currencies and market sectors, in varying proportions over time. These asset classes include cash, equity, fixed income, money market instruments, property, and commodities. Asset allocation portfolios that provide an exposure to a combination of these asset classes may also qualify for inclusion in the portfolio. All holdings must be approved by the Financial Sector Conduct Authority in South Africa.

Holdings

Holding	Asset type	Weight
Equity		27.9%
Robeco Multi-Factor Global Equity ⁱ	Global equity	12.1%
Morgan Stanley Global Sustain ⁱ	Global equity	3.7%
Jennison Global Equity Opportunities ⁱ	Global equity	2.8%
Fidelity Emerging Markets	Emerging market equity	1.7%
Sands Capital Emerging Markets Growth	Emerging market equity	1.7%
Artisan Global Value ⁱ	Global equity	1.2%
Hotchkis & Wiley Global Value ⁱ	Global equity	1.2%
Paradice Global SMID Cap ⁱ	Global equity	1.0%
Contrarius Global Equity ⁱ	Global equity	0.6%
Rainier International SMID Cap Growth ⁱ	Global equity	0.6%
Granahan US Focused Growth ⁱ	US equity	0.6%
Sands Capital Global Leaders ⁱ	Global equity	0.4%
Morant Wright Fuji Yield ⁱ	Japan equity	0.3%
Fixed income		60.0%
Dodge & Cox Global Bond	Aggregate bonds	20.0%
iShares Global Government Bond	Government bonds	20.0%
Coronation Global Strategic Income	Strategic bonds	10.0%
STANLIB Global Bond	Aggregate bonds	10.0%
Property		1.8%
Catalyst Global Real Estate	Listed property	1.8%
Commodities		4.0%
Ninety One Global Gold	Gold & gold miners	4.0%
Cash & money market		6.3%
Ninety One US Dollar Money	Money market	6.3%

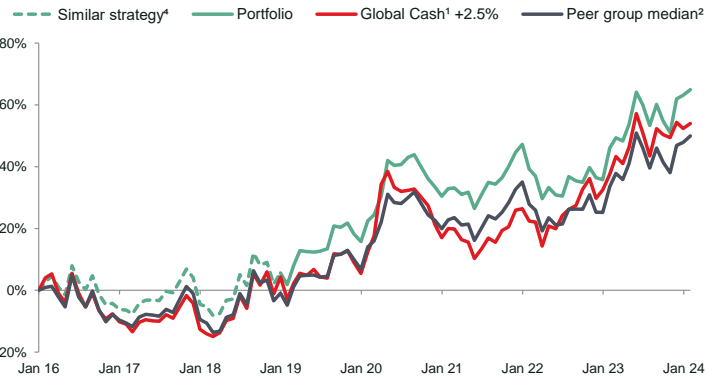
ⁱ Indirectly held in the Momentum GF Global Equity Fund

Top 10 underlying security holdings (on a look-through basis)

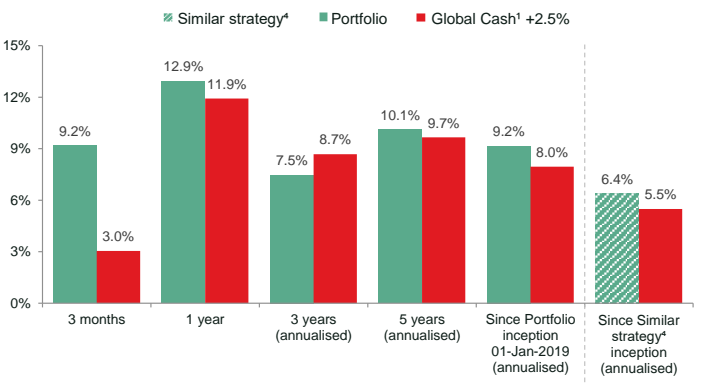
Underlying holding	Weight
Microsoft Corporation	0.7%
Alphabet Inc A	0.4%
NVIDIA Corporation	0.4%
MercadoLibre Inc	0.3%
Taiwan Semiconductor Manufacturing Co Ltd Sponsored ADR	0.2%
Novo Nordisk A/S B	0.2%
Eli Lilly and Company	0.2%
Visa Inc A	0.2%
Adobe Incorporated	0.2%
SAP SE	0.2%

Data as at 29.12.2023, updated quarterly. The Portfolio is exposed to securities such as stocks and bonds via the underlying collective investment schemes (CISs) in which it invests. The table shows the 10 biggest stock positions the Portfolio is exposed to, and is calculated by aggregating the stocks held by each of the underlying CISs.

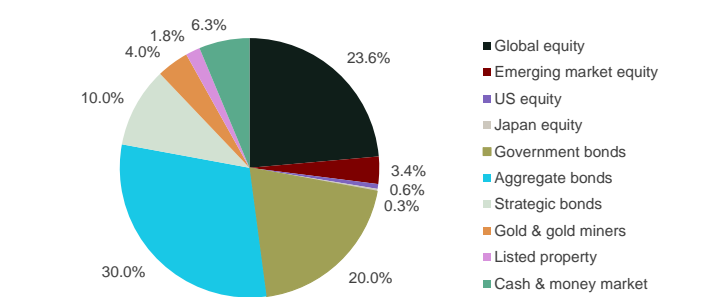
Cumulative returns



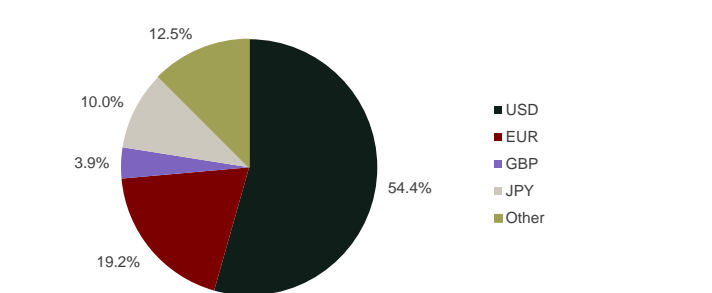
Portfolio performance



Strategy allocation⁵



Currency allocation



Sources: Momentum Global Investment Management, Morningstar. Past performance is not indicative of future returns.

¹ Global Cash comprises two components: i) prior to 01.01.2022 Global Cash was a composite of 50% ICE LIBOR 3M USD; 25% ICE LIBOR 3M EUR; 10% ICE LIBOR 3M GBP; 15% ICE LIBOR 3M JPY; ii) from 01.01.2022 to present Global Cash is a composite of 50% ICE BoA 3M US Treasury Bill Index; 25% ICE BoA 3M German Treasury Bill Index; 10% ICE BoA 3M Sterling Government Bill Index; 15% ICE BofA Japan Treasury Bill Index.

² Peer group is Morningstar Global Category: Cautious Allocation. Filtered for: i) share class = Oldest; ii) registered for sale = South Africa; iii) domicile ≠ South Africa; iv) investment area = Global.

³ This is an estimated TIC based on the weighted average of the collective Investment schemes (CIS) in which the Portfolio invests. The TIC has been calculated using the latest available data from Morningstar.

⁴ Performance figures prior to the inception date of the Portfolio (shown dotted/striped green) correspond to a similar strategy managed by the same investment team since 01.01.2016. This strategy has the same investment objective and investment restrictions as the Portfolio. The Portfolio's live track record began on 01.01.2019 (shown in solid green).

⁵ Strategy allocation figures reflect the classification of the CISs (or similar schemes) held by the Portfolio and look through to the underlying holdings of such schemes.



■ Market commentary

Markets began to consolidate in January and returns ended the month in a more mixed fashion, compared to the '(almost) everything rally' seen in Q4 2023. Despite some initial trepidation, global developed and US equities both continued their momentum to reach all-time highs, after some positive data prints increased optimism for a soft landing. Following the highest two-month return since 1990 in November and December, bond markets experienced a mild setback, due to a concerted effort from central banks to push back on markets' excessive rate cut expectations.

Fears of escalation in the Middle East conflict were raised as Houthis targeted Red Sea shipping and the US and UK retaliated. Although shipping costs have risen sharply as a result, oil and energy prices avoided any dramatic price swings, in the face of ample supplies and concerns about weak global demand. China's economic woes continued with notable signs of weakness in retail sales and housing activity, while year-on-year consumer prices declined for the third consecutive month. Japan on the other hand, continues to thrive, with foreign investors increasingly buying into the improving corporate environment.

Developed markets, measured by the MSCI World index, returned 1.2% over the month, with the US returning 1.7%. Emerging markets declined 4.6% in local terms. Bond markets returned -1.3% in January, as measured by the ICE BofA Global Broad Market index, with US treasuries returning -0.3%.

Prospects of a soft landing have continued to increase, and we remain constructive for risk assets over the course of the year. The monetary policy cycle is at a turning point and the next major move in rates will be down, underpinning markets. But in the short term we are concerned that investors are still pricing in too much policy loosening this year and are potentially complacent about the inflationary risks of the tight labour market, high fiscal spending and geopolitical risks. We therefore expect a period of consolidation ahead and will be cautious in seeking to add to duration in fixed income and to risk assets.

Source: Bloomberg Finance LP, Momentum Global Investment Management Limited.

■ Risk warnings and important notes

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The launch date is the start date of the portfolio. Returns before this date are back tested using the portfolio's fund holdings and published returns for these as at the date of launch date, which would not reflect Equilibrium's historic asset allocation views, or any changes, which would have been made to the portfolio's holdings over time. From the launch date, returns are based on the published returns for the portfolio's fund holdings and any changes which are made to these. All returns are calculated on a total return basis after the deduction of all fees. Returns for periods exceeding one year are annualised. All returns are quoted in US dollars, unless otherwise stated. Total investment charges (TIC) are the sum of a fund's total expense ratio (TER) and the transaction costs (TC). The portfolio's TIC is an estimated total for the portfolio based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. If a TIC is not available, we may use the TER, which is the TIC excluding transaction costs. Where neither a TIC nor a TER is available, we may use the investment manager's ongoing fee.

The portfolio's asset allocation is based on the weighted average of the underlying funds in which the portfolio invests using the latest available data. The portfolio's asset allocation may differ from time to time due to market movements, changes to the portfolio and the underlying fund data and limitations. The underlying funds will contain exposure to assets that are invested globally, which may present additional risks. The value of an investor's investment and the income arising from it will therefore be subject to exchange rate fluctuations. Foreign securities may have additional material risks, depending on the specific risks affecting that country, such as: potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks; and potential limitations on the availability of market information. The portfolio may also invest in funds which do not permit daily dealing. Investments in such funds will only be realisable on their dealing days. It is not possible to assess the proper market price of these investments, other than on the fund's dealing days. Higher risk investments may be subject to sudden and larger falls in value in comparison to other investments. Higher risk investments include, but are not limited to, investments in smaller companies (even in developed markets), investments in emerging markets or single country debt or equity funds and investments in high yield or non-investment grade debt. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions.

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