momentum
investment consulting

MIC Model Portfolio Quarterly Review Report

Period: Q4 2021

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1. Changes made to the portfolios Q3 2021

Changes were made to the tactical asset allocation from the previous quarter: SA Bonds (neutral to overweight), SA Property (underweight to neutral), SA Equity (neutral to overweight), Global Bonds (underweight to neutral), Global Property (neutral), Global Equity (neutral). The portfolios were rebalanced as follows:

MIC Conservative

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.00%	**2.08%**	0.08%
CoreShares MSCI ACWI Fund of Funds (W)	7.35%	**7.35%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	3.50%	**3.50%**	0.00%
Fairtree Equity Prescient Fund (A2)	3.50%	**3.63%**	0.13%
Foord Equity Fund (B2)	3.50%	**3.63%**	0.13%
Visio BCI Unconstrained Fixed Interest Fund (C)	16.25%	**15.37%**	-0.88%
Momentum Core Equity Fund (C)	8.00%	**8.30%**	0.30%
Momentum SA Flexible Fixed Interest Fund (D)	16.25%	**15.38%**	-0.87%
BlueAlpha BCI Equity Fund (B)	3.00%	**3.11%**	0.11%
Catalyst SCI Flexible Property Fund (C)	6.67%	**6.67%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	4.41%	**4.41%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.24%	**1.24%**	0.00%
Catalyst SCI Global Real Estate Prescient Feeder Fund (B)	0.33%	**0.33%**	0.00%
Coronation Jibar Plus Fund (P)	12.00%	**11.87%**	-0.13%
Momentum Enhanced Yield Fund (D)	12.00%	**11.88%**	-0.12%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.00%	**1.25%**	1.25%
	100.00%	100.00%	0.00%

MIC Stable

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	2.70%	**2.81%**	0.11%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.80%	**6.80%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	1.88%	**1.88%**	0.00%
CoreShares MSCI ACWI Fund of Funds (W)	11.32%	**11.32%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	2.75%	**1.87%**	-0.88%
Fairtree Equity Prescient Fund (A2)	4.73%	**4.92%**	0.19%
Foord Equity Fund (B2)	4.72%	**4.92%**	0.20%
Visio BCI Unconstrained Fixed Interest Fund (C)	14.37%	**13.06%**	-1.31%
Momentum Core Equity Fund (C)	10.80%	**11.25%**	0.45%
Momentum SA Flexible Fixed Interest Fund (D)	14.38%	**13.07%**	-1.31%
BlueAlpha BCI Equity Fund (B)	4.05%	**4.23%**	0.18%
Catalyst SCI Flexible Property Fund (C)	8.00%	**8.00%**	0.00%
Coronation Jibar Plus Fund (P)	6.75%	**7.43%**	0.68%
Momentum Enhanced Yield Fund (D)	6.75%	**7.44%**	0.69%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.00%	**1.00%**	1.00%
	100.00%	100.00%	0.00%

MIC Moderate

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	3.60%	**3.75%**	0.15%
Satrix MSCI World Equity Index Feeder Fund (B2)	6.66%	**6.66%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.24%	**2.24%**	0.00%
CoreShares MSCI ACWI Fund of Funds (W)	11.10%	**11.10%**	0.00%
Fairtree Equity Prescient Fund (A2)	6.30%	**6.56%**	0.26%
Foord Equity Fund (B2)	6.30%	**6.56%**	0.26%
Visio BCI Unconstrained Fixed Interest Fund (C)	11.84%	**9.25%**	-2.59%
Momentum Core Equity Fund (C)	14.40%	**15.00%**	0.60%
Momentum SA Flexible Fixed Interest Fund (D)	11.84%	**9.25%**	-2.59%
BlueAlpha BCI Equity Fund (B)	5.40%	**5.63%**	0.23%
Catalyst SCI Flexible Property Fund (C)	10.67%	**10.67%**	0.00%
Catalyst SCI Global Real Estate Prescient Feeder Fund (B)	0.33%	**0.33%**	0.00%
1NVEST Global Government Bond Index Feeder Fund (B1)	1.50%	**1.50%**	0.00%
Coronation Jibar Plus Fund (P)	3.91%	**5.25%**	1.34%
Momentum Enhanced Yield Fund (D)	3.91%	**5.25%**	1.34%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.00%	**1.00%**	1.00%
	100.00%	100.00%	0.00%

MIC Balanced

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.00%	**4.23%**	0.23%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.20%	**7.20%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	2.80%	**2.80%**	0.00%
CoreShares MSCI ACWI Fund of Funds (W)	12.00%	**12.00%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.00%	**7.39%**	0.39%
Foord Equity Fund (B2)	7.00%	**7.39%**	0.39%
Visio BCI Unconstrained Fixed Interest Fund (C)	7.25%	**7.12%**	-0.13%
Momentum Core Equity Fund (C)	16.00%	**16.90%**	0.90%
Momentum SA Flexible Fixed Interest Fund (D)	7.25%	**7.13%**	-0.12%
BlueAlpha BCI Equity Fund (B)	6.00%	**6.34%**	0.34%
Catalyst SCI Flexible Property Fund (C)	12.00%	**12.00%**	0.00%
Coronation Jibar Plus Fund (P)	5.75%	**4.37%**	-1.38%
Momentum Enhanced Yield Fund (D)	5.75%	**4.38%**	-1.37%
Coronation Global Strategic USD Income (ZAR) Feeder Fund (P)	0.00%	**0.75%**	0.75%
	100.00%	100.00%	0.00%

MIC Growth

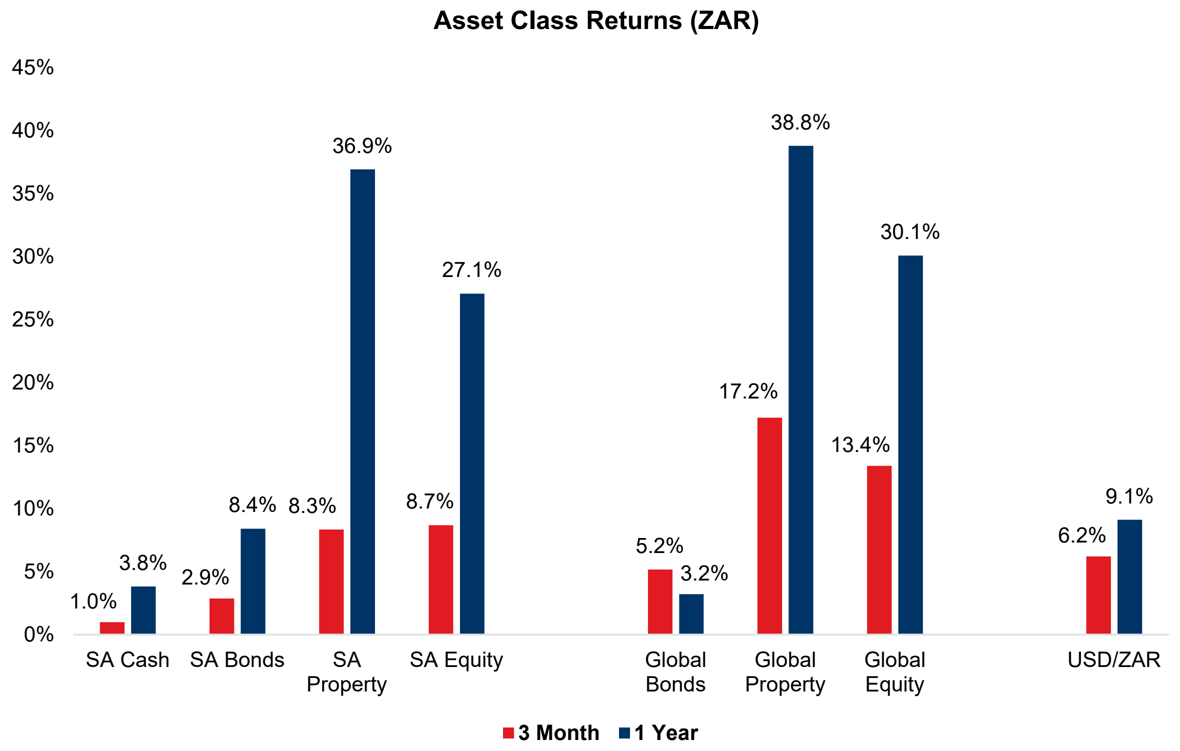
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.50%	**4.80%**	0.30%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.74%	**7.74%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.36%	**3.36%**	0.00%
CoreShares MSCI ACWI Fund of Funds (W)	12.90%	**12.90%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.88%	**8.40%**	0.52%
Foord Equity Fund (B2)	7.87%	**8.40%**	0.53%
Visio BCI Unconstrained Fixed Interest Fund (C)	7.75%	**8.00%**	0.25%
Momentum Core Equity Fund (C)	18.00%	**19.20%**	1.20%
Momentum SA Flexible Fixed Interest Fund (D)	7.75%	**8.00%**	0.25%
BlueAlpha BCI Equity Fund (B)	6.75%	**7.20%**	0.45%
Catalyst SCI Flexible Property Fund (C)	12.00%	**12.00%**	0.00%
Coronation Jibar Plus Fund (P)	1.75%	**0.00%**	-1.75%
Momentum Enhanced Yield Fund (D)	1.75%	**0.00%**	-1.75%
	100.00%	100.00%	0.00%

MIC Unconstrained

Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.00%	**4.30%**	0.30%
Satrix MSCI World Equity Index Feeder Fund (B2)	9.90%	**9.90%**	0.00%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.60%	**3.60%**	0.00%
CoreShares MSCI ACWI Fund of Funds (W)	16.50%	**16.50%**	0.00%
Fairtree Equity Prescient Fund (A2)	7.00%	**7.53%**	0.53%
Foord Equity Fund (B2)	7.00%	**7.52%**	0.52%
Visio BCI Unconstrained Fixed Interest Fund (C)	7.00%	**6.75%**	-0.25%
Momentum Core Equity Fund (C)	16.00%	**17.20%**	1.20%
Momentum SA Flexible Fixed Interest Fund (D)	7.00%	**6.75%**	-0.25%
BlueAlpha BCI Equity Fund (B)	6.00%	**6.45%**	0.45%
Catalyst SCI Flexible Property Fund (C)	13.33%	**13.33%**	0.00%
Coronation Jibar Plus Fund (P)	1.25%	**0.00%**	-1.25%
Catalyst SCI Global Real Estate Prescient Feeder Fund (B)	0.17%	**0.17%**	0.00%
Momentum Enhanced Yield Fund (D)	1.25%	**0.00%**	-1.25%
	100.00%	100.00%	0.00%

2. Performance overview

2.1. Quarterly market summary



The 2021 calendar year was a favourable one for investors by a large margin relative to recent memory. Growth asset classes (namely equity and property), both locally and globally, registered positive returns in all four quarters of the year, benefitting from a strong recovery in corporate earnings following the aftermath of COVID-19. Notwithstanding the embedded base effects, the recovery in global growth supported corporate earnings growth as central banks globally continued their accommodative monetary policies alongside strong fiscal stimulus from governments and the reopening of the economy as vaccination programmes were rolled out. Last year also saw the resurgence of value stocks, which outperformed growth stocks for only the third time in the past 15 years. However, volatility remained high throughout the year as investor sentiment ebbed and flowed off the back of high inflation prints, the withdrawal of fiscal stimulus in the US late in the year, an increasingly hawkish narrative from the Fed, the emergence of new COVID-19 variants (Beta, Delta and Omicron) and an increasingly worrisome Chinese economy whose regulatory shifts and clampdowns significantly impacted its property, tech and education sectors.

Global equity rallied a staggering 13.4% return in the final quarter (the strongest quarter of the year) to finish the year up 30.1% in ZAR terms. It was driven by a strong earnings season in October and a marked recovery in December as the Omicron variant, which stifled markets in November, proved less severe than prior strains. Developed markets once again outperformed their emerging market counterparts, rallying 14.3% (ZAR) in the quarter (32.4% for the year in ZAR terms), with US markets leading the pack as tech shares returned to the spotlight. Emerging markets, up only 4.7% for the quarter and 5.9% for the year in ZAR terms, were again dragged down by the underperformance of China amid fears of slowing growth, while the deployment of Russian troops to the Ukrainian border stoked geopolitical tensions with the West and impacted investor sentiment. Global returns for the quarter and the year were also supported by a 6.2% and 9.1% weakening in the rand relative to the US dollar respectively.

In line with investor sentiment and risk appetite, global bond yields were again volatile over the quarter as markets grappled with the highest year-on-year inflation print in 31 years along with the discovery of the Omicron variant in November. In line with rising inflation and an increasingly hawkish narrative from the Fed, 2021 witnessed a 0.6% rise in the US 10-year yield. Consequently, global bonds delivered a return of negative 1.0% and 5.4% in USD terms for the quarter and year respectively, although rand weakness pushed the asset class into positive territory from a local perspective. Owing to a stronger and faster economic recovery than initially anticipated, the best performing asset class for the year was global property, up 38.8% (in ZAR terms), thanks to a late surge in the year as the asset class rallied 17.2% in the quarter (in ZAR terms). The US was the best performer in the year from a regional perspective, while storage- and residentially-focussed stocks were the top performers from a sectoral perspective.

Local equities delivered another positive quarter, with the FTSE/JSE Capped SWIX up 8.7% to end the year up 27.1% - the strongest calendar year since 2012. Resources was the best performing sector in the quarter, up 21.6%, carried higher by precious metal miners, followed closely by Industrials (up 16.1%) with select rand-hedges contributing meaningfully. Financials (2.2%) lagged in the quarter following a strong Q3, as banks' and life insurers' returns were more muted. The sectoral dispersion for the year was more muted, although Resources again came out on top (up 32.3%), followed closely by Financials (27.4%) and Industrials (26.5%). At a stock level, most shares delivered positive returns in the year, with only Naspers/Prosus being detractors following a significant pull back in their share prices from March owing to the sharp correction in the Tencent share price amidst the regulatory crackdown in China. The year also proved fruitful for smaller shares, as the JSE Small Cap Index delivered a return more than double that of the large and mid-cap indices, to the benefit of boutique firms, which can play meaningfully in that space.

Among the local interest-bearing asset classes, listed property was the best performing asset class for the year, delivering 36.9% for the year, as higher-yielding property counters outperformed in line with the value-rotation seen earlier in the year. Nominal bonds rallied 2.9% and 8.4% for the quarter and year respectively, with longer dated bonds (12+ years) being the best performing sectors over both periods as yield curves flattened. Inflation-linked bonds (IGOV) outperformed nominals for the year, rallying 15.5% as the real-yield curve also flattened, while ILBs also proved more resilient in the second half of the year as inflation pressure heightened. Finally, local cash (STeFI) continued to deliver returns of approximately 1.0% for the quarter (3.8% for the year), although the SARB's MPC surprisingly hiked interest rates by 0.25% in November at its final meeting for the year amid inflation concerns, which suggests a start to a rate hiking cycle to normalise real interest rates.

2.2. Manager returns and comments

Trailing returns as at 31 December 2021:

	3m	6m	9 months	1y	3y (ann.)	5y (ann.)	7y (ann.)
Coronation JIBAR Plus P	1.13%	2.30%	3.45%	4.57%	6.19%	7.13%	-
Momentum Enhanced Yield D	1.36%	2.71%	3.56%	4.68%	-	-	-
MI-PLAN IP Enhanced Income B1	2.15%	3.86%	6.41%	8.28%	9.53%	-	-
Prescient Income Provider A2	2.36%	4.44%	6.23%	7.07%	6.92%	7.62%	8.09%
Stefi	**0.98%**	**1.94%**	**2.88%**	**3.81%**	**5.49%**	**6.25%**	**6.44%**
(ASISA) South African MA Income	*1.87%*	*3.31%*	*5.63%*	*6.66%*	*6.95%*	*7.27%*	*7.22%*
Momentum SA Flexible Fixed Interest D	3.81%	4.00%	12.39%	11.95%	-	-	-
Visio BCI Unconstrained Fixed Intst C	2.58%	4.46%	8.95%	10.52%	9.63%	-	-
ALBI	**2.87%**	**3.24%**	**10.32%**	**8.40%**	**9.12%**	**9.05%**	**7.97%**
Aylett Equity Prescient A1	14.58%	19.87%	22.62%	47.64%	16.52%	11.89%	10.78%
BlueAlpha BCI Equity B	12.32%	17.58%	18.90%	29.63%	-	-	-
Fairtree Equity Prescient A2	11.26%	6.47%	3.98%	19.95%	20.96%	15.17%	-
Foord Equity B2	3.85%	10.49%	13.95%	25.51%	9.73%	4.01%	3.50%
Momentum Core Equity C	8.93%	11.98%	12.46%	26.39%	12.56%	-	-
FTSE/JSE Capped SWIX TR	**8.68%**	**12.15%**	**12.85%**	**27.08%**	**10.91%**	**7.20%**	**6.26%**
(ASISA) South African EQ General	*9.46%*	*12.32%*	*12.92%*	*26.72%*	*11.75%*	*7.44%*	*5.87%*
Catalyst SCI Flexible Property C	9.81%	18.37%	30.87%	41.26%	-	-	-
Flexible Property Composite	**10.58%**	**16.90%**	**29.23%**	**37.79%**	**3.60%**	**1.05%**	**3.62%**
Catalyst SCI Global Real Estate FF B	16.66%	24.83%	33.87%	41.56%	19.29%	13.28%	12.14%
FTSE EPRA/NAREIT TR ZAR	**17.22%**	**22.68%**	**29.79%**	**38.81%**	**16.92%**	**12.22%**	**12.02%**
(ASISA) Global RE General	*16.80%*	*23.46%*	*30.33%*	*38.65%*	*16.51%*	*11.20%*	*10.03%*
Coronation Global Em Mkts Flex [ZAR] P	-0.05%	-6.96%	-9.72%	-7.12%	16.10%	11.46%	8.94%
CoreShares MSCI ACWI FoF W	11.48%	17.06%	21.32%	27.79%	23.44%	-	-
Satrix MSCI World Equity Index FF B2	13.36%	19.82%	25.36%	31.97%	25.32%	17.91%	15.98%
MSCI AC World TR ZAR	**13.40%**	**18.41%**	**23.11%**	**30.09%**	**25.32%**	**18.57%**	**16.74%**
MSCI World TR ZAR	**14.56%**	**20.88%**	**26.10%**	**33.50%**	**26.72%**	**19.25%**	**17.42%**
MSCI EM ZAR	**4.89%**	**1.76%**	**3.43%**	**6.69%**	**15.34%**	**13.71%**	**11.52%**
(ASISA) Global EQ General	*9.41%*	*12.58%*	*16.20%*	*22.85%*	*21.68%*	*14.86%*	*13.25%*
Coronation Glbl Strat USD Inc [ZAR]FF P	5.99%	11.78%	8.93%	10.07%	6.37%	5.18%	6.67%
1nvest Global Govt Bond Index FF B1	4.43%	8.67%	6.05%	0.63%	5.63%	-	-
Citigroup WGBI	**5.04%**	**9.36%**	**6.77%**	**1.51%**	**6.45%**	**6.16%**	**6.60%**
FTSE G7 Bond Index	**5.21%**	**9.76%**	**7.23%**	**2.11%**	**6.47%**	**6.03%**	**6.72%**

Income
Coronation JIBAR Plus outperformed the STeFI composite index by 0.2% over the quarter and 0.8% over the year. The fund, to a large extent, provided robust protection against the recent volatility that started in the bond markets in September, driven by global inflation fears. The fund's relatively low duration provided stability, while the continued contraction in credit spreads supported its performance. Even though the manager sees value in NCD's, the manager is concerned that further potential interest rates hikes would hurt these instruments.

Momentum Enhanced Yield outperformed the STeFI composite index by 0.4% over the quarter and 0.9% over the year. The fund outperformed despite the market value adjustment the portfolio manager did to the fund's exposure to Landbank. The fund's low duration position provided stability in September and October during the worst of the volatility in local and global bond markets, driven by inflation fears. The fund's performance relative to the STeFI composite index was supported by the continued contraction in credit spreads.

MI-Plan IP Enhanced Income outperformed the STeFI composite index by 1.2% over the quarter and 4.5% over the year. The biggest contributors to performance were the fund's exposures to Coca Cola and offshore property, while its relative underweight positions in 12- and 6-month NCDs detracted from performance.

Prescient Income Provider outperformed the STeFI composite index by 1.4% over the quarter and 3.3% over the year. Most of the fund's holdings and asset classes contributed to its outperformance on the back of the continued recovery in interest-rate-sensitive asset classes. Preference shares and ILBs, in particular, were large contributors to the fund's relative performance, with both asset classes delivering double-digit returns over the year.

Local Bonds
Momentum SA Flexible Fixed Interest outperformed the ALBI by 0.9% and 3.6% over the quarter and year respectively. The fund's strong performance was mainly driven by the flattening of the yield curve for most of 2021. Given the fund's relatively more aggressive duration position, the fund benefited from this. The fund's positioning however detracted from returns in September and October driven by global bond yields rising on the back of inflation fears. The fund recovered well in December given the recovery in bond markets and also benefited from its relative overweight position to inflation linked bonds as well as its marginal property exposure.

Visio BCI Unconstrained Fixed Interest underperformed the ALBI by 0.3% over the quarter, while outperforming the index by 2.1% over the year. The strong absolute performance of the fund over the quarter was a result of a relatively lower duration position, while still maintaining a relatively high yield due to an overweight exposure to the belly of the yield curve, albeit less so than the previous quarter. An 18% exposure in the fund to inflation-linked bonds, which had their best year since 2012, added to performance as did its slightly higher (although still low at 4% of the fund) exposure to selected REIT's, which added approximately 0.6% to the fund's alpha.

Local Equity
Aylett Equity Prescient outperformed the Capped SWIX by 5.9% over the quarter and 20.6% over the year. The fund continued to benefit strongly from the ongoing value unlock in the South African equity market. From a stock selection perspective, the biggest contributor to the fund's outperformance over the quarter was its overweight position to Royal Bafokeng Platinum, while the biggest detractor was its underweight position to Richemont. From a sector perspective, the fund's underweight position to retail contributed the most to relative outperformance, while its underweight position to gold miners detracted the most.

BlueAlpha BCI Equity outperformed the Capped SWIX by 3.6% and 2.6% over the quarter and year respectively. Even though quality as a strategy was not rewarded by the market for most of 2021, towards the end of the year the fund's stock selection and offshore allocation contributed significantly to its outperformance over quarter. From a sector perspective, the fund's underweight position to Insurers contributed the most, while its underweight position to gold miners detracted the most. From a stock selection perspective, the fund's overweight position to MTN contributed the most relative outperformance, while its underweight position to Gold Fields detracted the most.

Fairtree Equity Prescient outperformed the Capped SWIX by 2.6% over the quarter but underperformed by 7.1% over the year. Over the quarter the fund's overweight position to gold miners contributed the most to its relative performance, while its overweight position to consumer discretionary detracted the most. From a stock selection perspective, the fund's overweight position to Impala Platinum contributed the most, while its underweight position to Richemont detracted the most.

Foord Equity underperformed the Capped SWIX by 4.8% over the quarter and by 1.6% over the year. From a sectoral perspective, the fund's overweight position to consumer discretionary was the biggest contributor to relative performance over the quarter, while its overweight position to health care was the biggest detractor. From a stock selection perspective, the fund's overweight position to BHP Billiton was the biggest contributor over the quarter, while its relative overweight position to Aspen was the biggest detractor.

Momentum Core Equity outperformed the Capped SWIX by 0.3% over the quarter, while underperforming by 0.7% over the year. Over the quarter the value strategy contributed significantly to the fund's outperformance. The quality strategy continues to be a drag on performance, given that the market is currently not rewarding this strategy. From a sectoral perspective, the fund's underweight position to material ex metals and mining contributed the most outperformance, while its underweight position to gold miners detracted the most.

Flexible Property

Catalyst SCI Flexible Property underperformed the composite benchmark by 0.8% over the quarter, while outperforming by 3.5% over the year. From a tactical asset allocation perspective, the fund's underweight position to SA property contributed positively to performance, while its underweight position to global property and overweight cash position contributed negatively to performance relative to the benchmark. The main contributors to performance were overweight positions in Rexford, Hyprop, Big Yellow and Allied Properties, which outperformed relative to the benchmark and the underweight position in EPP, which underperformed the benchmark. The main detractors to performance were overweight positions in Prologis, LEG, Nepi Rockcastle and Octodec, which underperformed the benchmark, and underweight positions in Investec Property Fund, which outperformed the benchmark.

Global Property

Catalyst SCI Global Real Estate underperform the FTSE EPRA/NAREIT Total Return Index by 0.6% over the quarter but outperformed the index by 2.8% over the year. The fund's relative underperformance in Q4 2021 was mainly driven by its geographical positioning and stock selection.

Global Equity

CoreShares MSCI ACWI underperformed the MSCI ACWI by 1.9% and 2.3% over the quarter and year respectively. The fund changed in its benchmark in December to the FTSE Global Cap Index and, going forward, one may expect marginal differences between the performances of these indices. We have analysed this change extensively with our global partner, Momentum Global Investment Management, and this does not pose a concern for us.

Coronation Global Emerging Markets Flexible underperformed the MSCI ACWI by 13.5% over the quarter as well as by 37.2% over the year. Even though emerging markets lagged developed markets, the fund also underperformed the MSCI EM Index over both periods, which exacerbated its underperformance. For the quarter, the biggest positive contributor to alpha was AngloGold, up 39% for a 0.55% contribution to relative performance. Naspers & Prosus contributed 0.51%, while NetEase (Chinese gaming) contributed 0.43%. The final two material positive contributors were Alibaba and LVMH (global luxury), which contributed a combined 0.62%, split fairly evenly. Four of the top detractors were Brazilian stocks. PagSeguro, the top detractor, returned -45% in the period and cost 0.74%. Sendas, a Brazilian cash and carry retailer and overall, the second largest food retailer in the country, was the second largest detractor. The stock returned -28% and cost 0.70% of relative performance. XP Inc. was the third largest detractor and fell 25% and cost 0.51%. Stone was the next largest detractor, falling 49% and costing 0.49% in relative performance. Finally, Yandex (Russian search, ride hailing and general tech) returned -18% and cost 0.43%.

Satrix MSCI World Equity Index marginally underperformed the MSCI ACWI over the quarter and outperformed by 1.9% over the year. The fund's outperformance over the year was driven mainly by not having any emerging market exposure.

Global Bonds

Coronation Global Strategic USD Income outperformed the Citigroup WGBI by 1.0% and 8.6% over the quarter and year respectively. Given the selloff in US and global bonds that started in the second half of last year on the back global inflation fears, the fund's relatively low effective duration was the biggest driver of the fund's outperformance.

1nvest Global Government Bond Index underperformed the Citigroup WGBI by 0.6% and 0.9% over the quarter and year respectively. The biggest drivers of the discrepancy between the fund's return and our benchmark for global bonds is the benchmark mismatch (Citigroup WGBI vs. the FTSE G7 Bond Index) as well as the market friction caused by timing differences between when the fund prices and the relevant markets price.

3. Portfolio performance

3.1. MIC Income Portfolio

Investment goal: **Stefi**
Time horizon: **1-year**

3.1.1. Returns

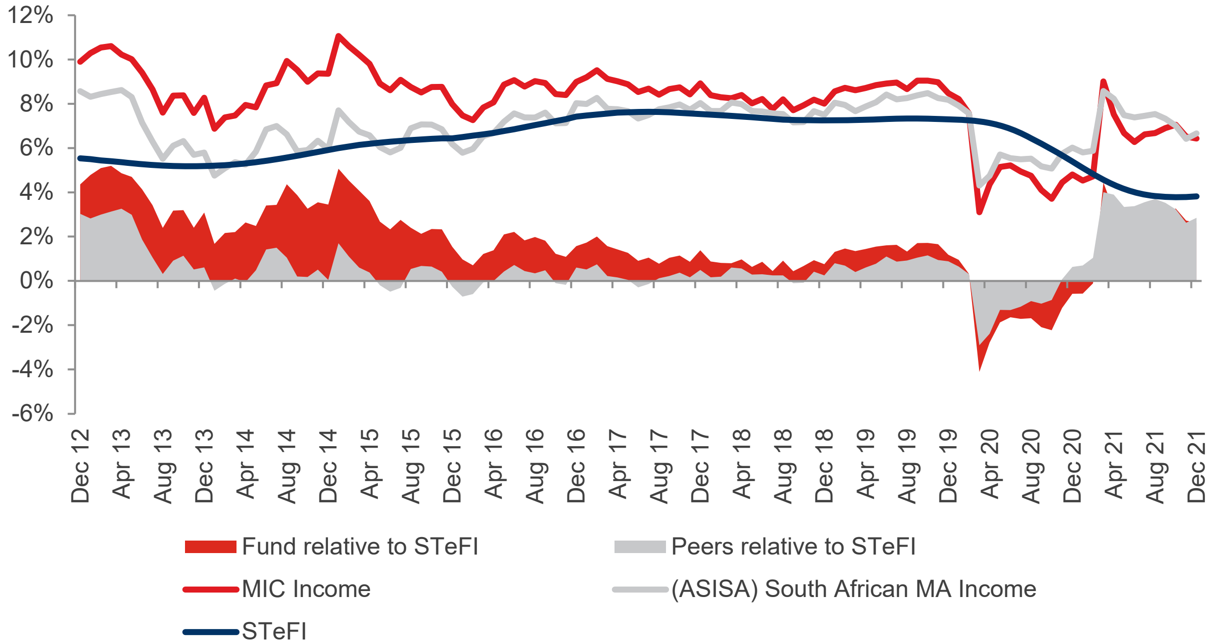
Figure 1.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
MIC Income	**1.8%**	**3.4%**	**6.4%**	**6.6%**	**7.3%**	**7.6%**	**7.1%**	
Benchmark: STeFI	1.0%	1.9%	3.8%	5.5%	6.2%	6.4%	6.1%	**54**
(ASISA) South African MA Income	*1.9%*	*3.3%*	*6.7%*	*6.9%*	*7.3%*	*7.2%*	*7.2%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio outperformed its STeFI benchmark over all periods, net of all investment related fees. The portfolio outperformed the peer group over 6 months and periods 5 years and greater.

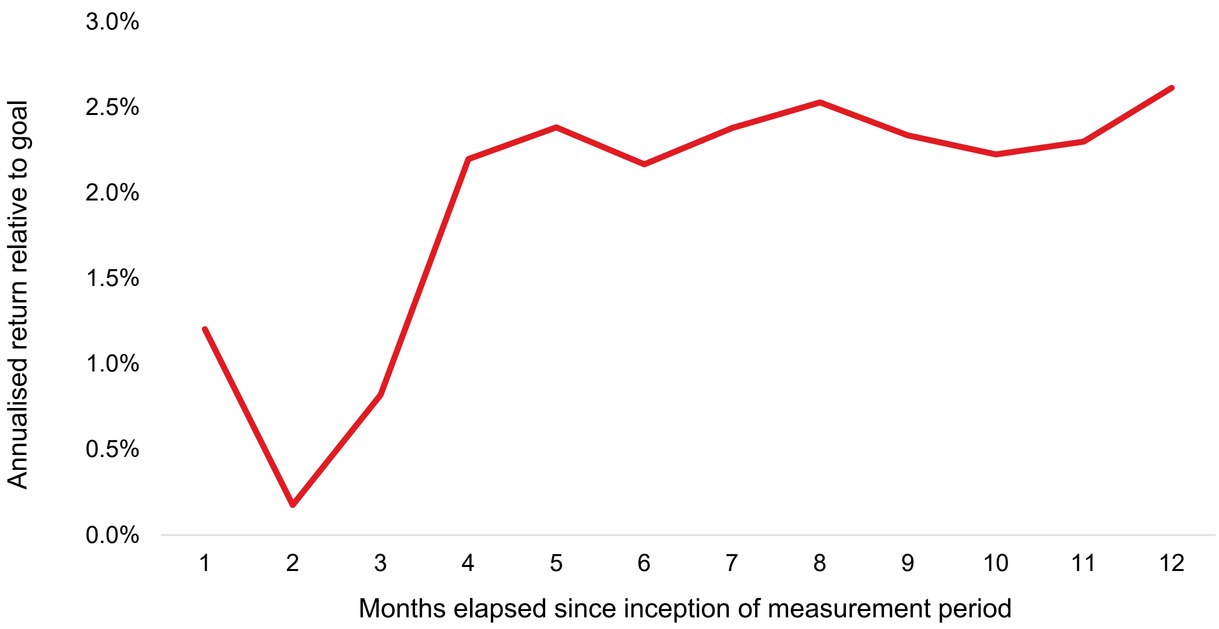
Figure 1.2: Rolling 1-year returns: 10 years to 31 December 2021 *



	MIC Income	(ASISA) South African MA Income
Number of observations	109	
Period outperforming	97	84
Realised probability of outperforming	**89%**	77%
Max outperformance p.a.	**5.2%**	4.0%
Max underperformance p.a.	**-4.1%**	-2.9%

- Over the last 10 years, the portfolio outperformed its benchmark during 89% of the rolling 1-year periods. This compares favourably with the peer group, which only outperformed during 77% of the 1-year periods.

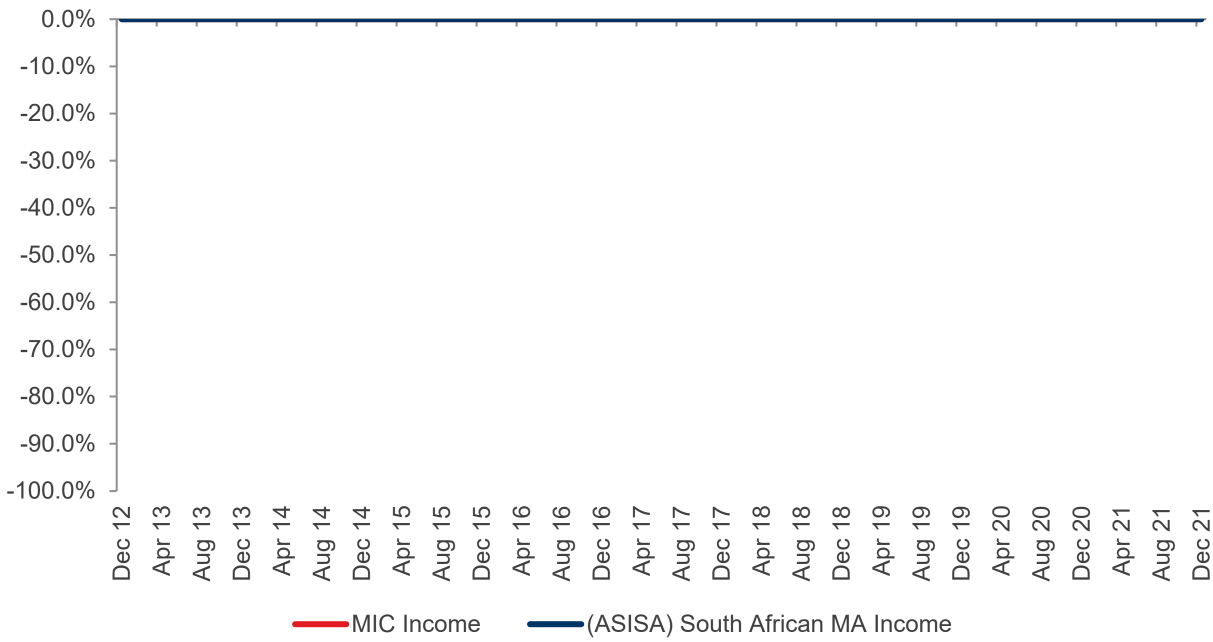
Figure 1.3: Portfolio performance relative to goal*



- The above graph shows the progression of the annualised returns relative to the Stefi benchmark over the measurement period up to 31 December 2021.The portfolio managed to significantly outperform the Stefi benchmark at the end of the measurement period.

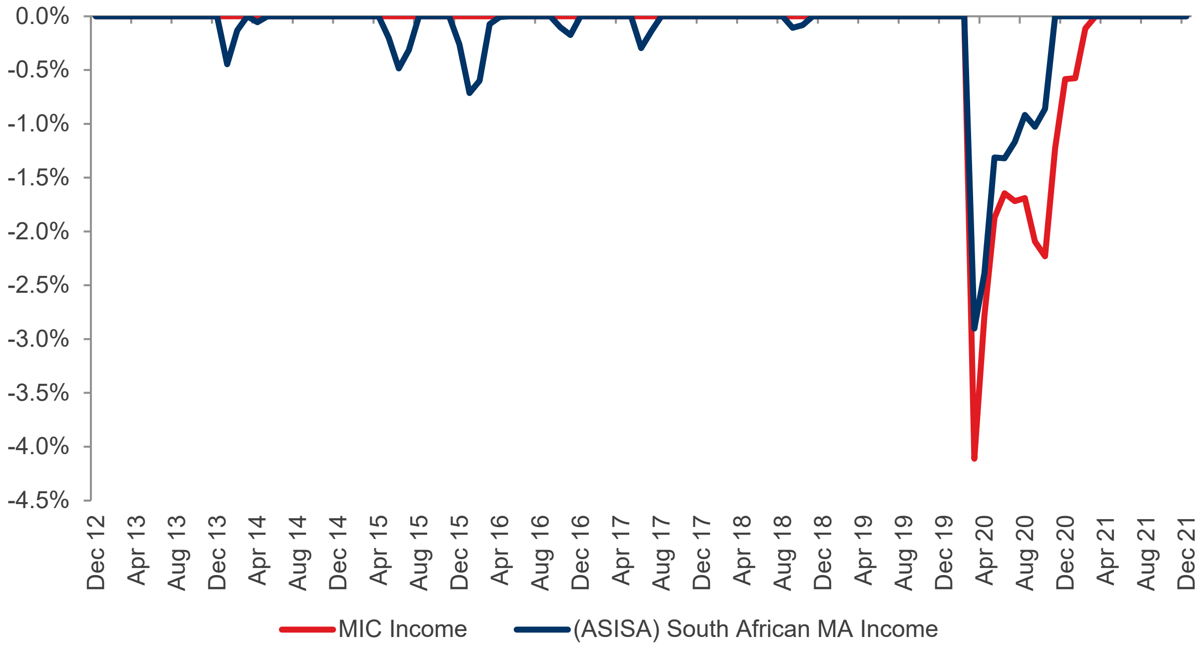
3.1.2. Risk

Figure 1.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- Over the period shown, both the portfolio and the peer group never experienced a rolling 1-year capital loss.

Figure 1.5: Rolling 1-year drawdown relative to goal: 10 years to 31 December 2021*



- Over the total period to 31 December 2021, the portfolio was significantly impacted by the marginal property exposure held by underlying managers during the COVID-19 crisis but made a strong recovery.

3.2. MIC Conservative Portfolio

Investment goal: **CPI + 2%**
Time horizon: **3-years**

3.2.1. Returns

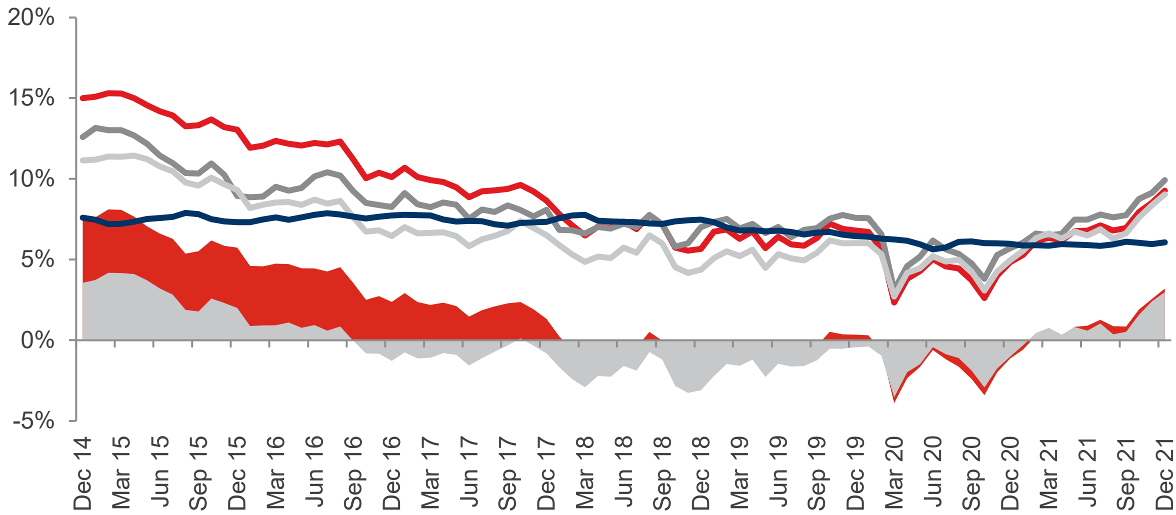
Figure 2.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
MIC Conservative	**5.6%**	**8.0%**	**15.4%**	**9.3%**	**7.8%**	**7.9%**	**7.9%**	**54**
Benchmark: CPI + 2%	1.5%	3.7%	7.5%	6.1%	6.4%	6.8%	6.2%	
SAA	5.6%	7.9%	15.0%	9.9%	8.6%	8.0%	8.7%	
(ASISA) South African MA Low Equity	*5.0%*	*7.1%*	*13.5%*	*9.0%*	*7.3%*	*6.8%*	*7.5%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio outperformed its CPI + 2% benchmark by 3.2% p.a. over the 3-year period to 31 December 2021. It also outperformed the peer group over the same period.
- The portfolio outperformed its strategic asset allocation by 0.4% over the last 12 months, net of all investment related fees.

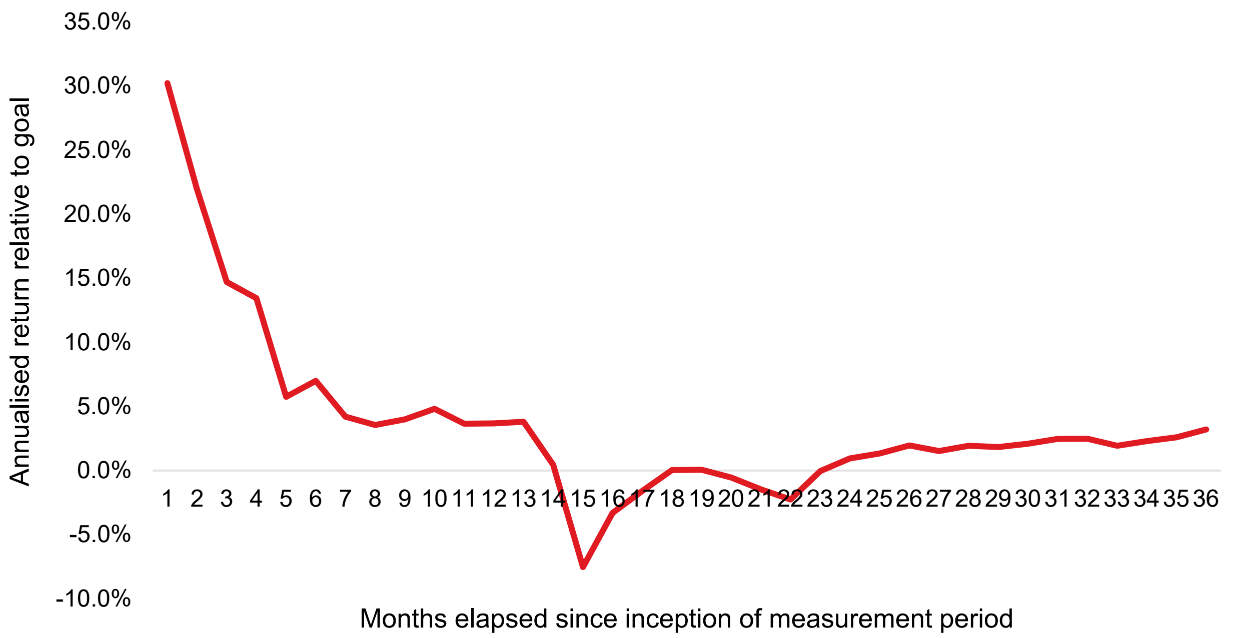
Figure 2.2: Rolling 3-year returns ann.: 10 years to 31 December 2021 *



	MIC Conservative	(ASISA) South African MA Low Equity
Number of observations	85	
Period outperforming	55	33
Realised probability of outperforming	**65%**	39%
Max outperformance p.a.	**8.1%**	4.2%
Max underperformance p.a.	**-3.9%**	-3.5%

- Over the last 10 years, the portfolio outperformed its benchmark on 65% of the total rolling 3-year periods. This compares favourably with the peer group, which only managed to outperform on 39% of the rolling 3-year periods.

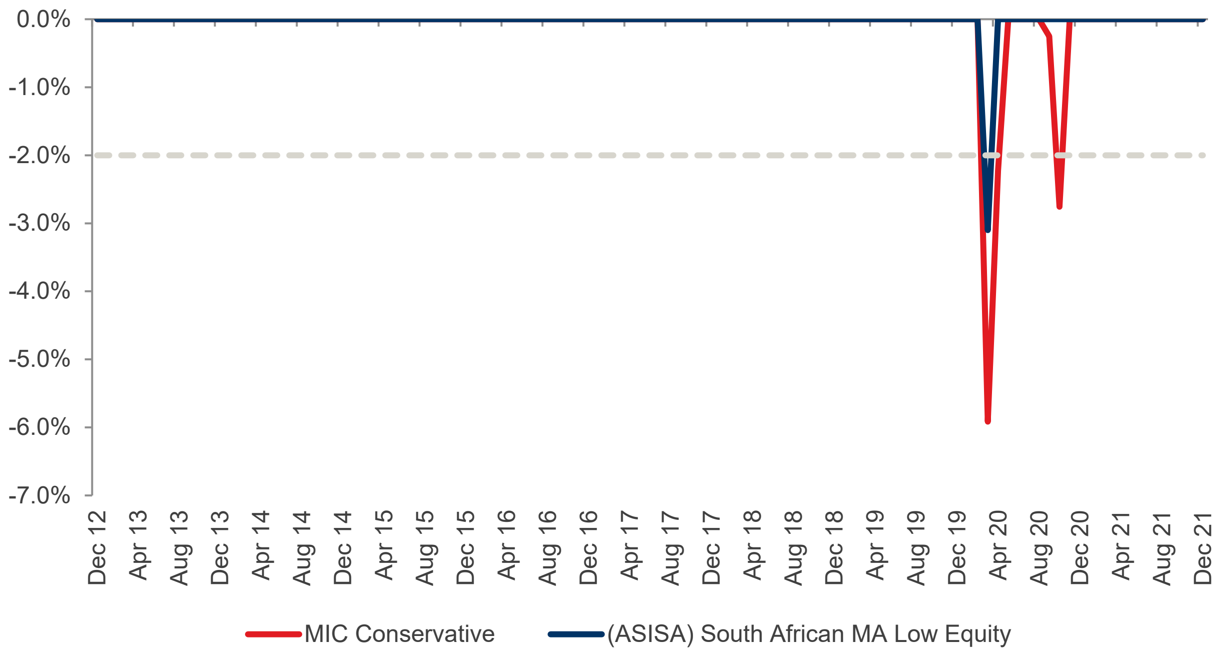
Figure 2.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 2021 the portfolio's annualised returns relative to its goal were mostly positive supported by good returns from local bonds as well as the strong returns in growth asset classes over the last year.

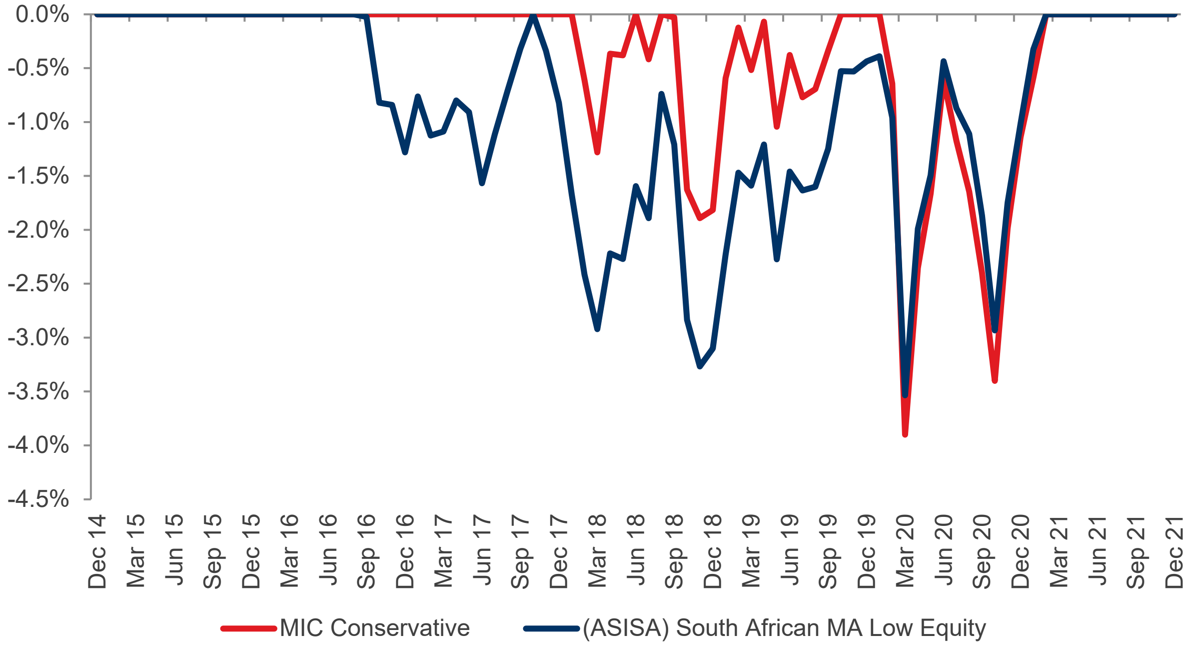
3.2.2. Risk

Figure 2.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 2% twice. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

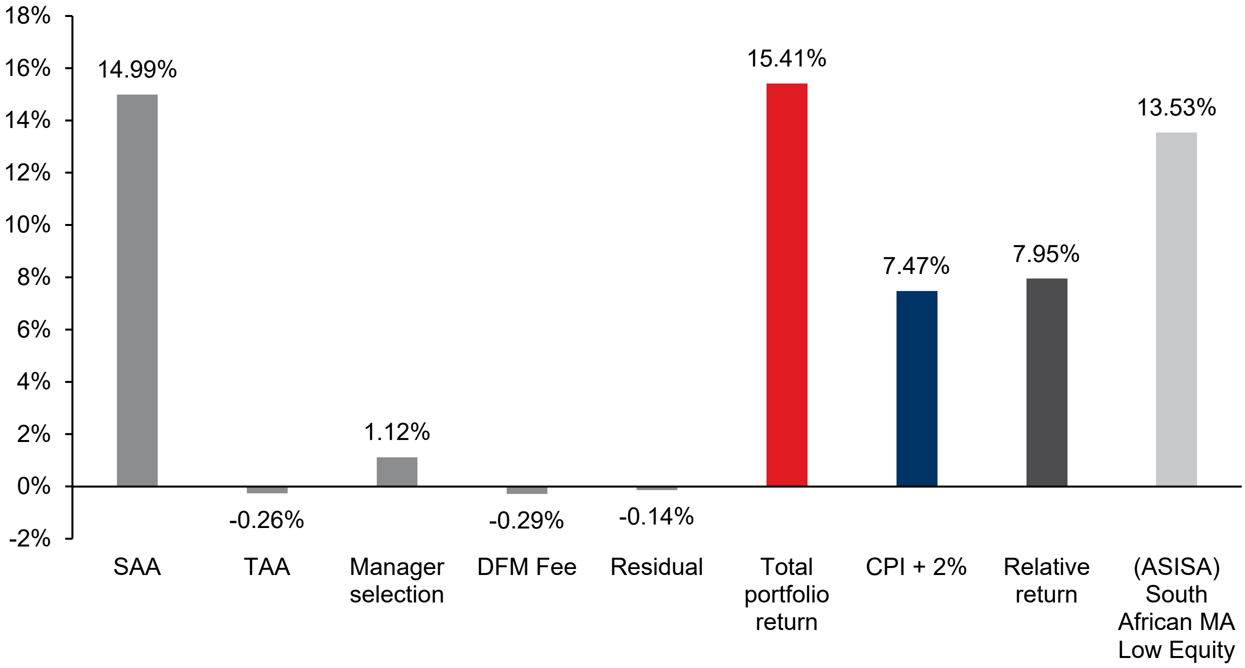
Figure 2.5: Rolling 3-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- Even though the portfolio underperformed its benchmark over rolling 3 years, and recently greater than the peer group, it managed to outperform CPI + 2% more consistently than the peer group.

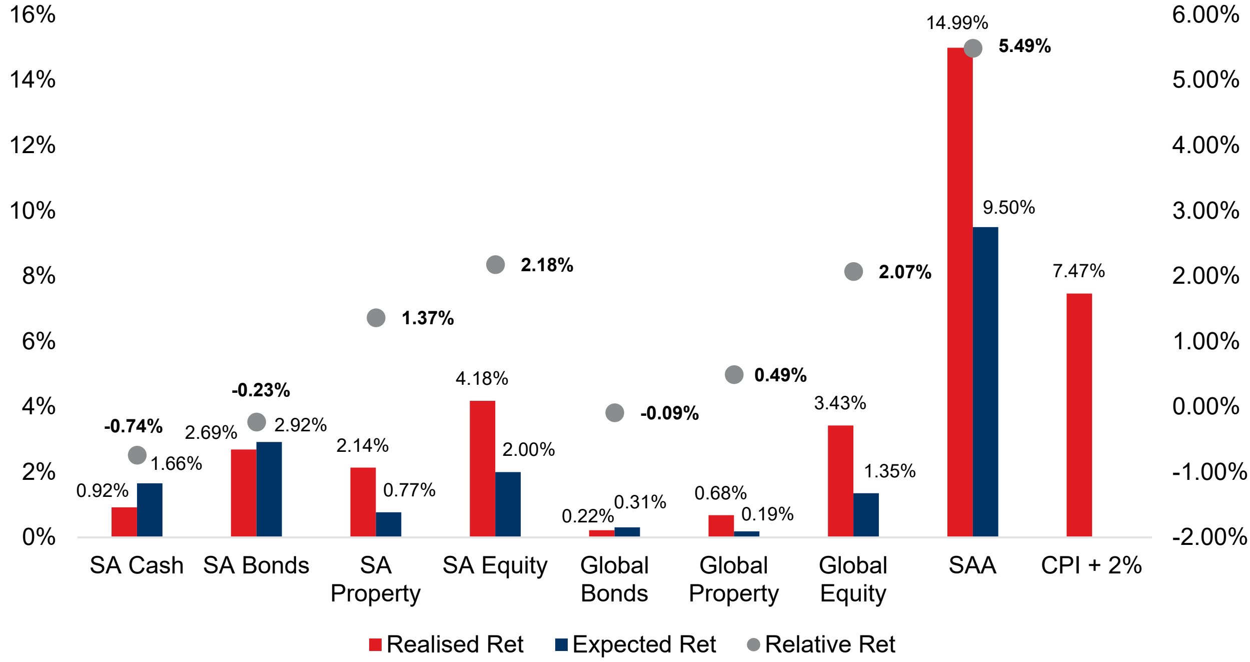
3.2.3. Performance attribution

Figure 2.6: Total return attribution: 12 months to 31 December 2021



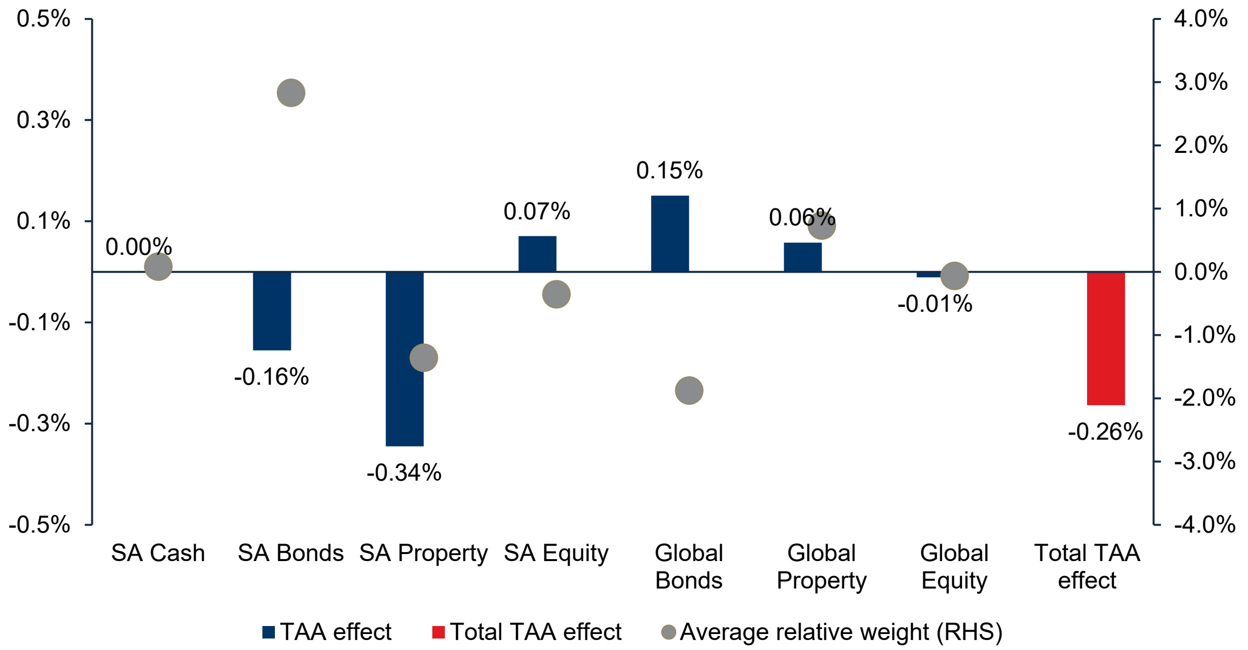
- SAA and manager selection contributed to performance while tactical asset allocation detracted from performance over the 12 months ending 31 December 2021.

Figure 2.7: Strategic asset allocation effects: 12 months to 31 December 2021



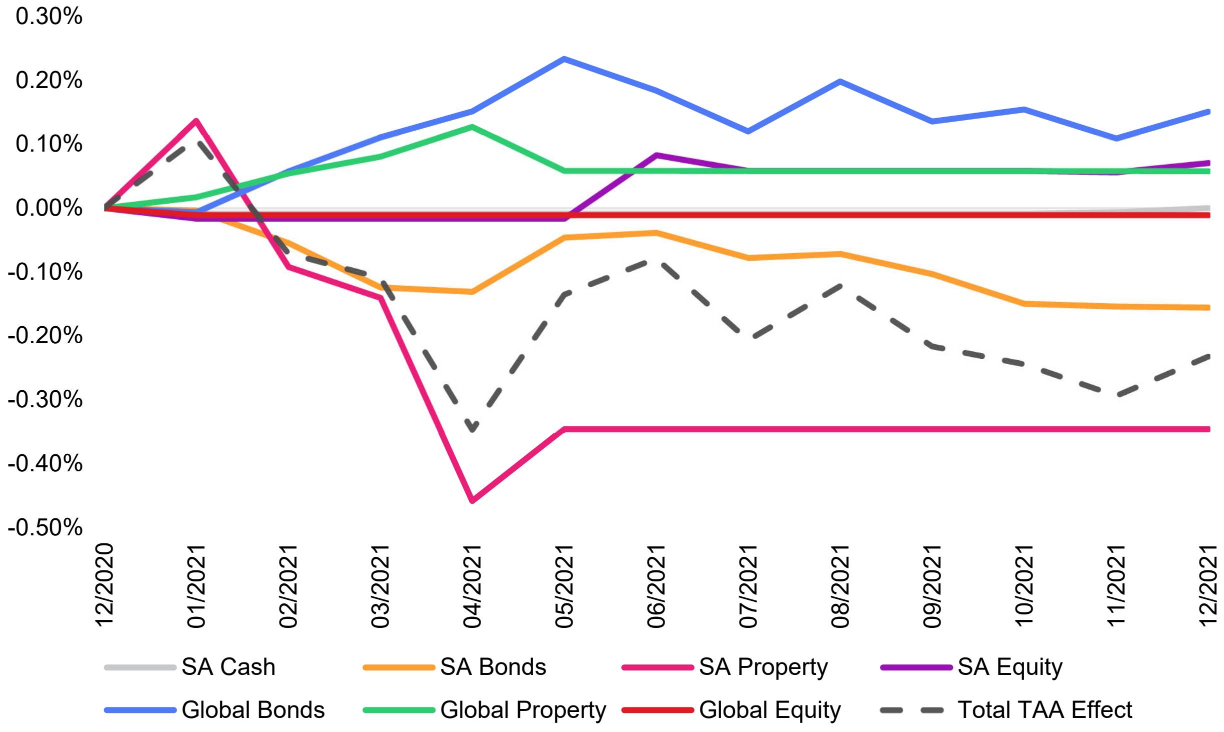
- The graph above illustrates the weighted realised return from each asset class over the period considered relative to our long-term forward-looking expectations.
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 2% benchmark.

Figure 2.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property was the largest detractor over the period from a tactical asset allocation perspective.

Figure 2.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- The above graph illustrates the progression of the tactical asset allocation for all asset classes and in aggregate over the previous 12 months.
- The underweight position in local property was the biggest driver of TAA, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 2.10: Manager selection effects: 12 months to 31 December 2021

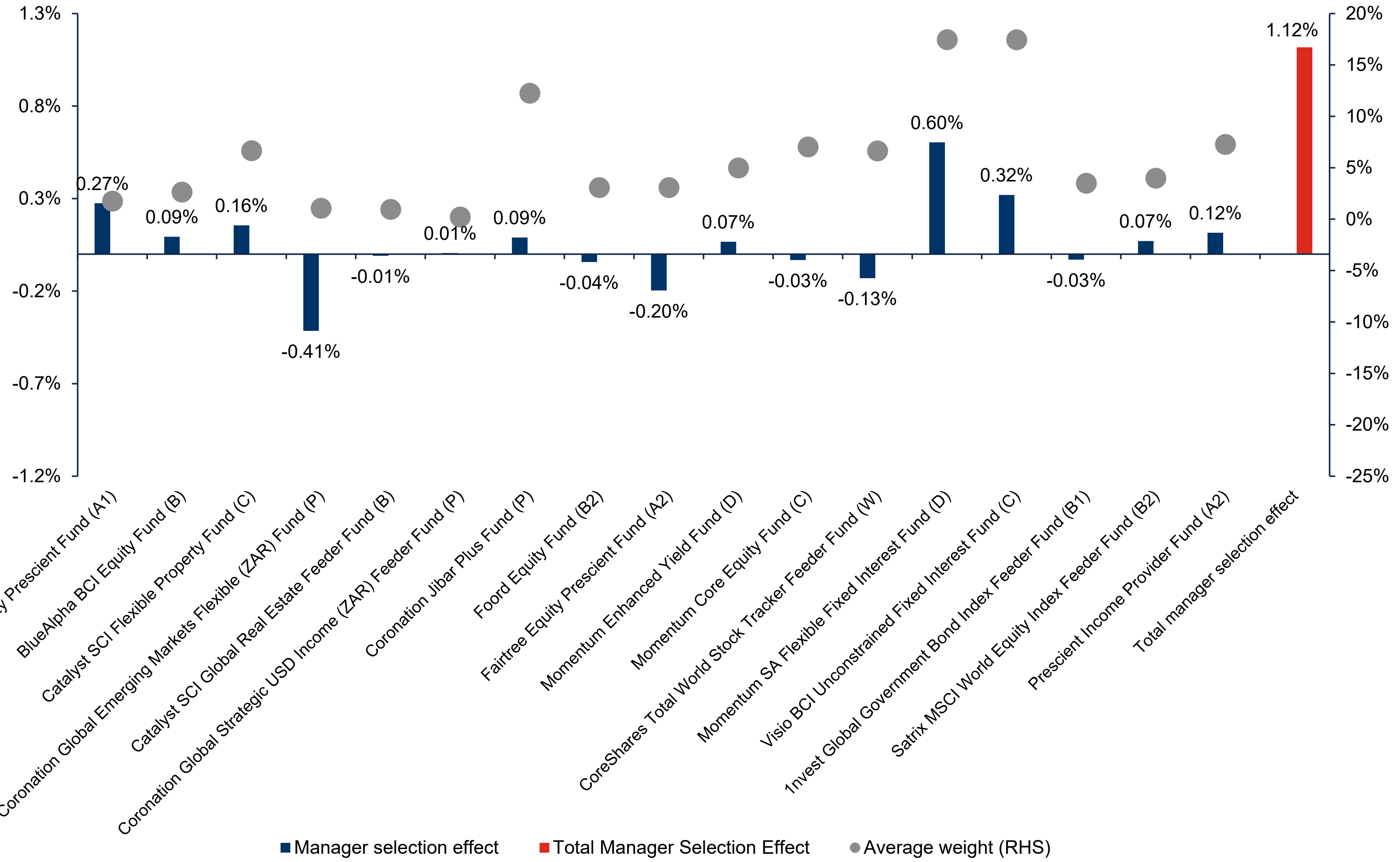
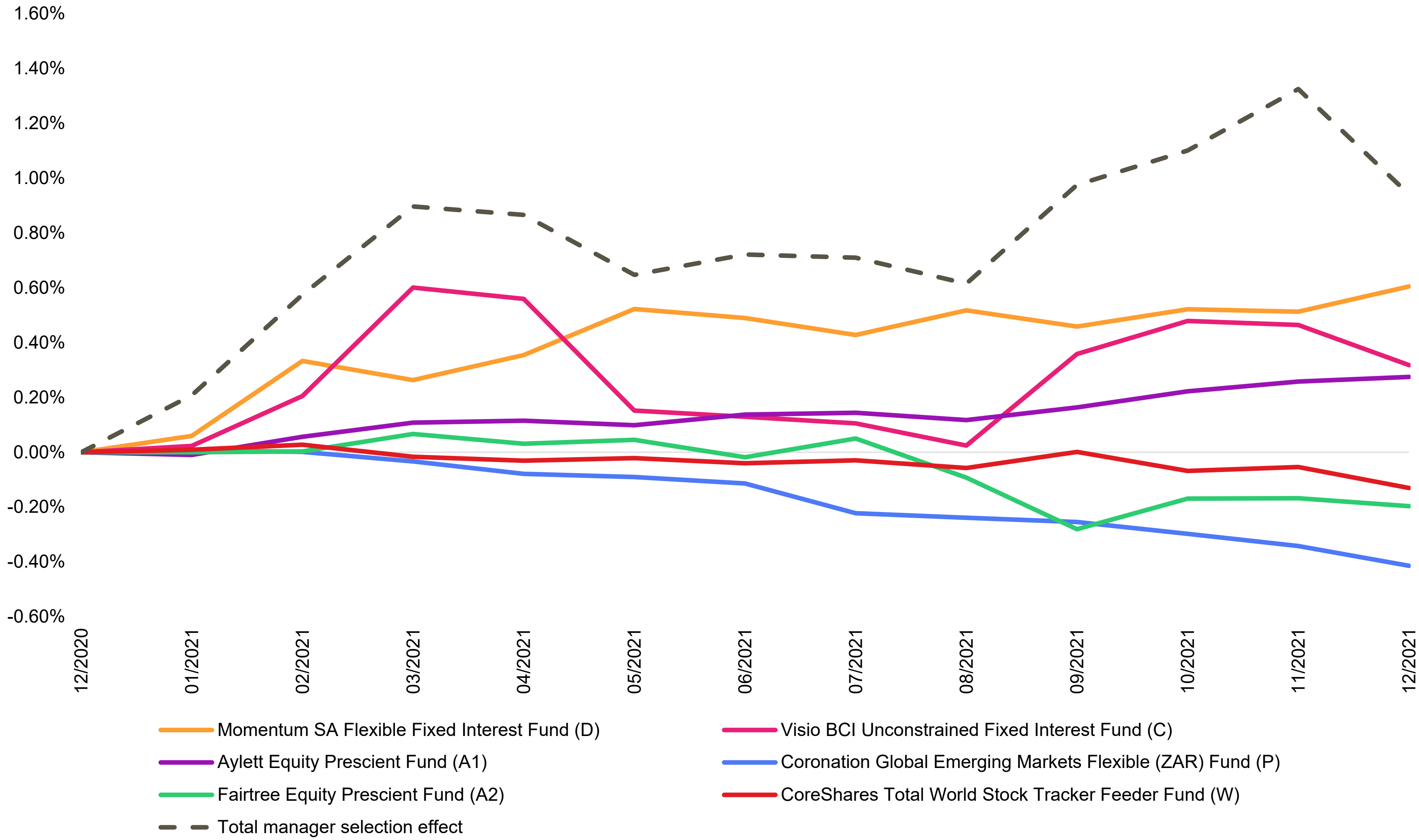


Figure 2.11: Cumulative manager selection effects: 12 months to 31 December 2021



3.3. MIC Stable Portfolio

Investment goal: CPI + 3%
Time horizon: 4-years

3.3.1. Returns

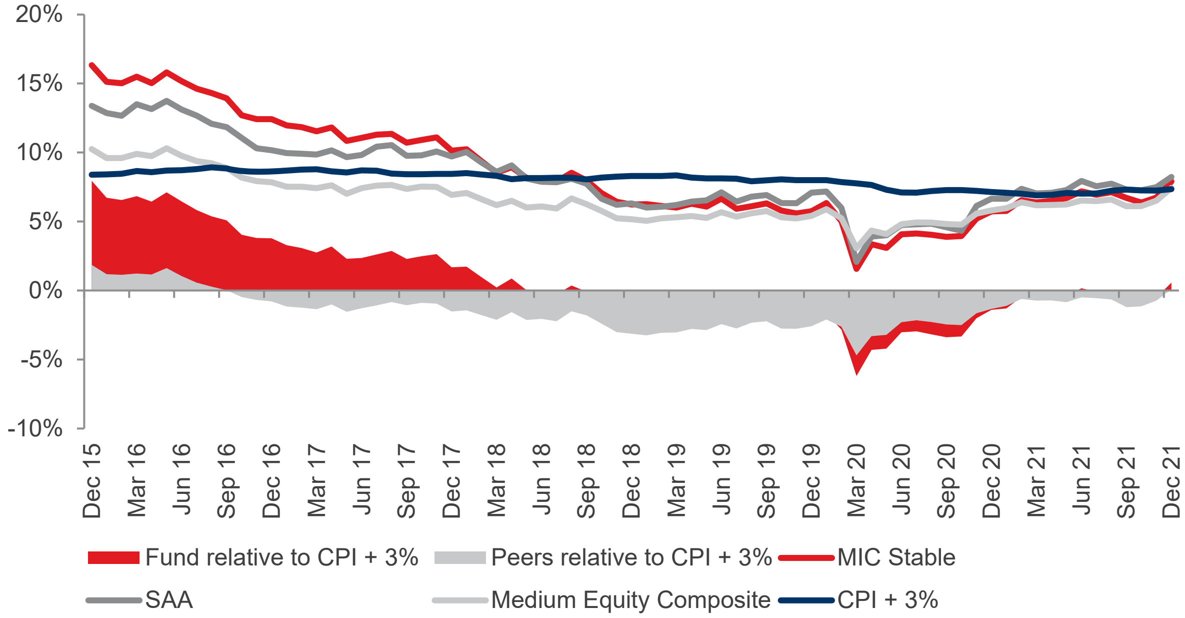
Figure 3.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
MIC Stable	6.7%	9.4%	18.9%	11.3%	7.9%	7.6%	8.5%	54
Benchmark: CPI + 3%	1.7%	4.2%	8.5%	7.3%	7.3%	7.8%	7.2%	
SAA	7.0%	9.8%	19.4%	11.9%	8.2%	8.7%	9.3%	
Medium Equity Composite	6.7%	8.9%	15.2%	10.0%	7.4%	6.9%	7.8%	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*
***The peer group returns until 31 May 2021 are for the ASISA SA MA Low Equity peer group. From 1 June 2021, this changed to the ASISA SA MA Medium Equity peer group due to a change in the portfolio's strategic asset allocation.*

- The portfolio outperformed its CPI + 3% benchmark by 0.6% p.a. over the 4-year period to 31 December 2021. It also outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.5% over the last 12 months, net of all investment related fees.

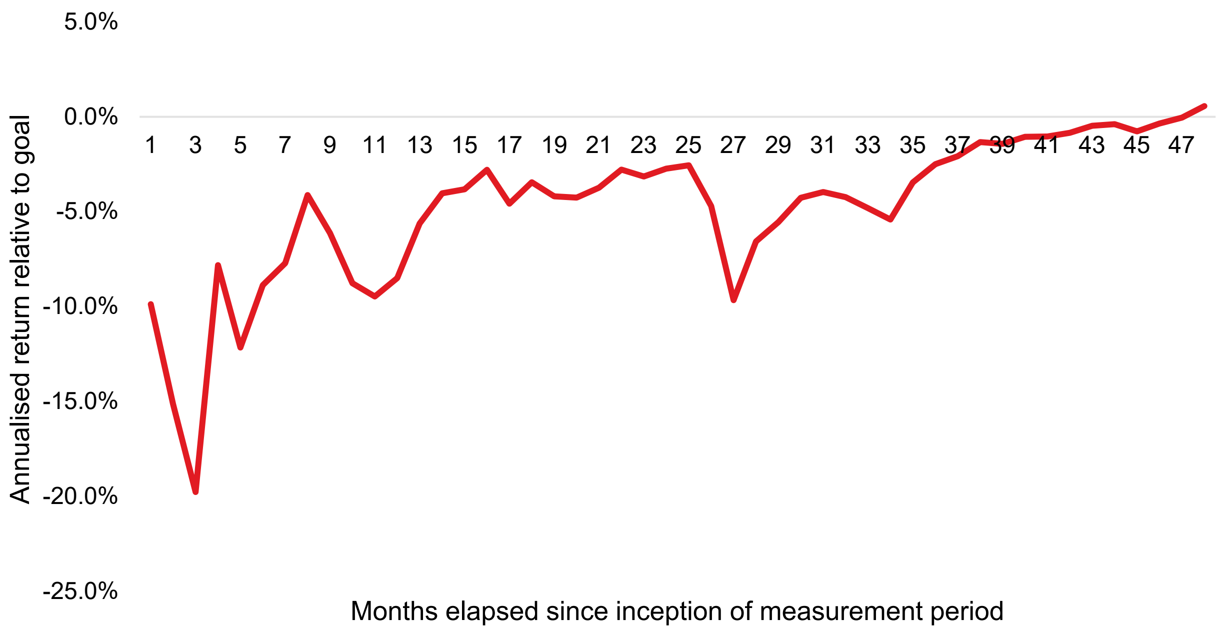
Figure 3.2: Rolling 4-year returns ann.: 10 years to 31 December 2021 *



	MIC Stable	Medium Equity Composite
Number of observations	73	
Period outperforming	33	11
Realised probability of outperforming	45%	15%
Max outperformance p.a.	8.0%	1.9%
Max underperformance p.a.	-6.2%	-4.7%

- Over the last 10 years, the portfolio outperformed its benchmark on 45% of the total rolling 4-year periods. This compares favourably with the peer group, which only managed to outperform on 15% of the rolling 4-year periods.

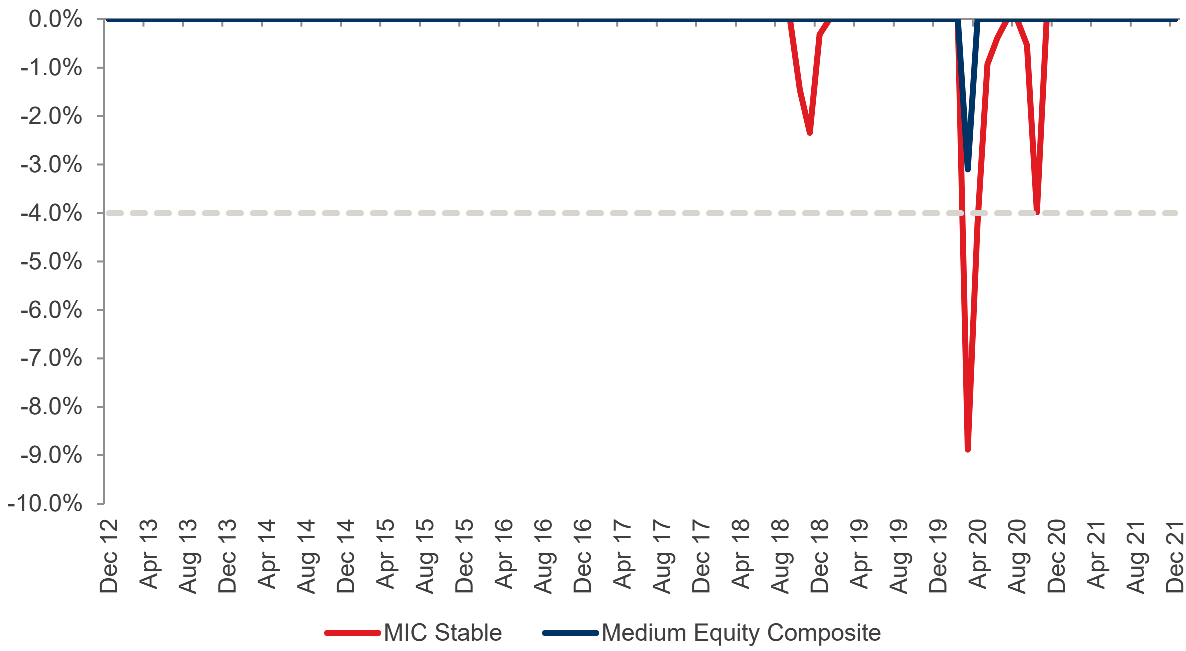
Figure 3.3: Portfolio performance relative to goal*



- The volatility in growth asset classes over the last 4 years to 31 December is clearly illustrated by the above graph. However, despite the volatility in the markets, the portfolio outperformed its benchmark over the measurement period.

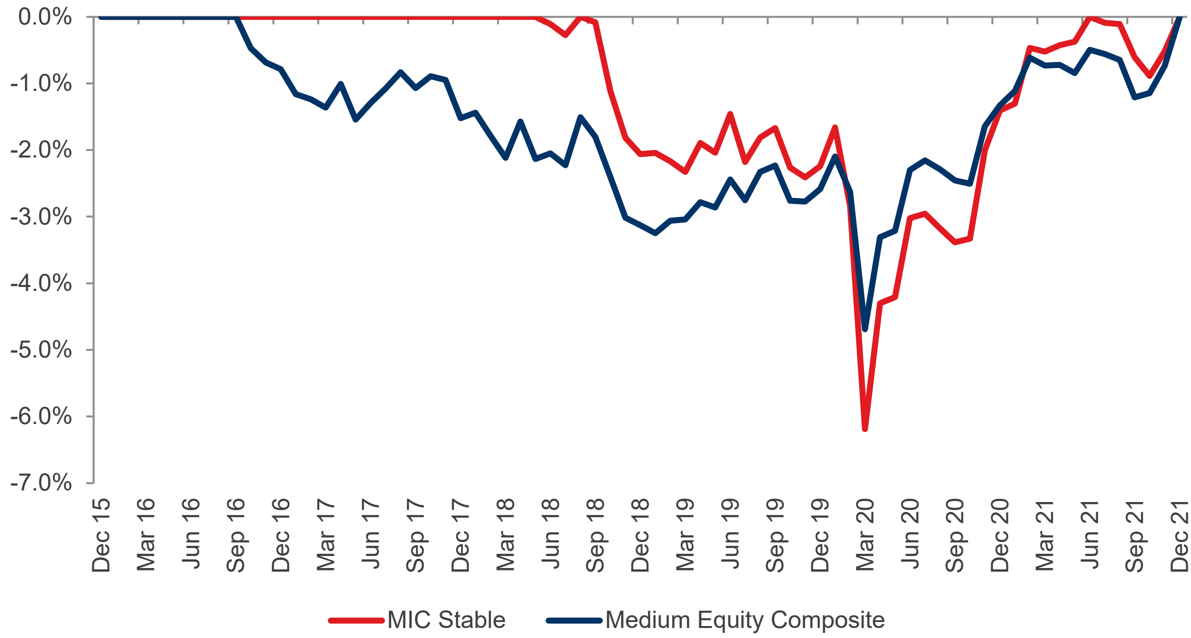
3.3.2. Risk

Figure 3.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 4% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

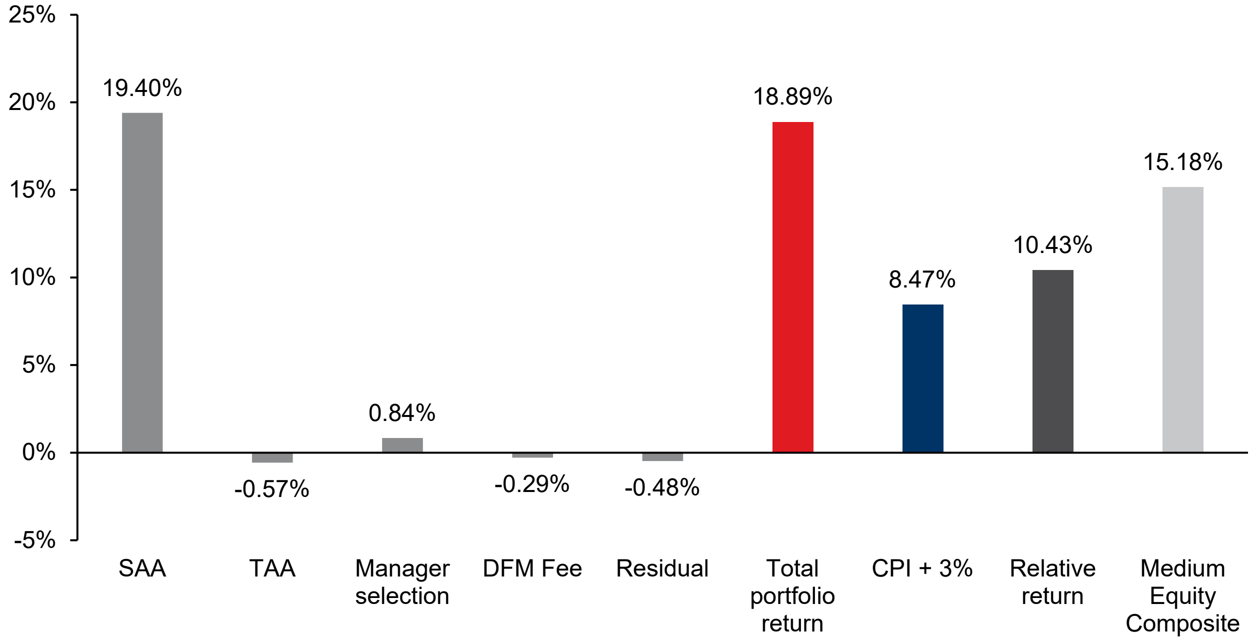
Figure 3.5: Rolling 4-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- Even though the portfolio underperformed its benchmark over rolling 4 years, and recently greater than the peer group, it managed to outperform CPI+3% more consistently than the peer group.

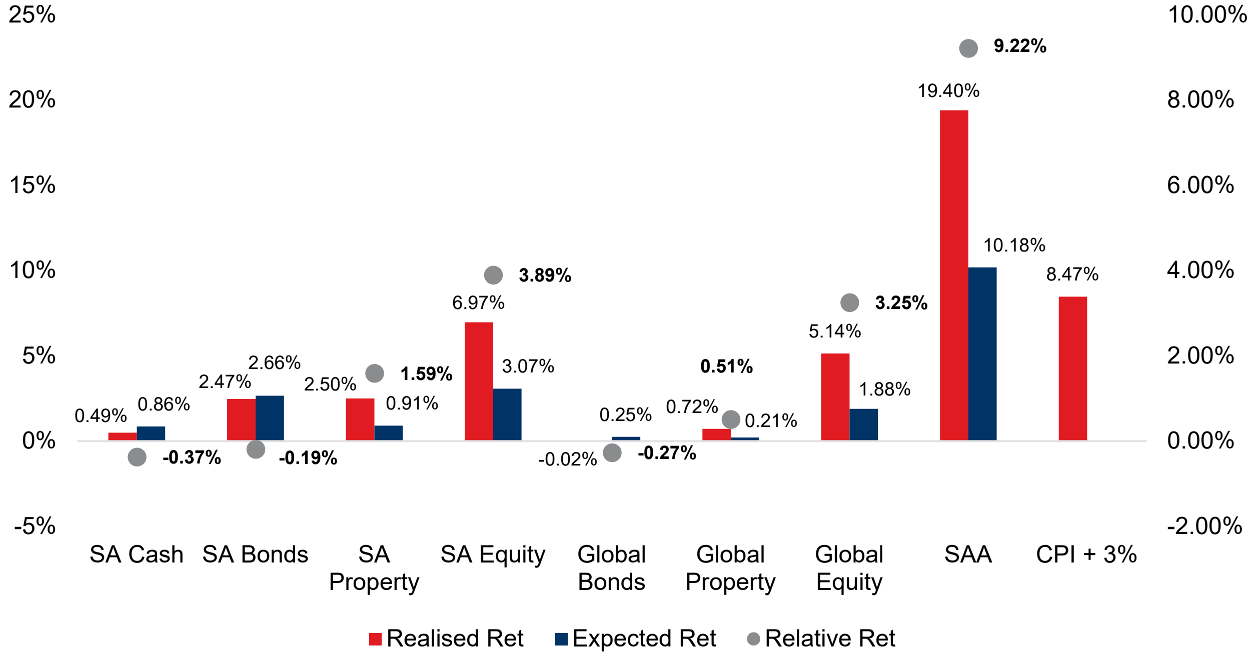
3.3.3. Performance attribution

Figure 3.6: Total return attribution: 12 months to 31 December 2021



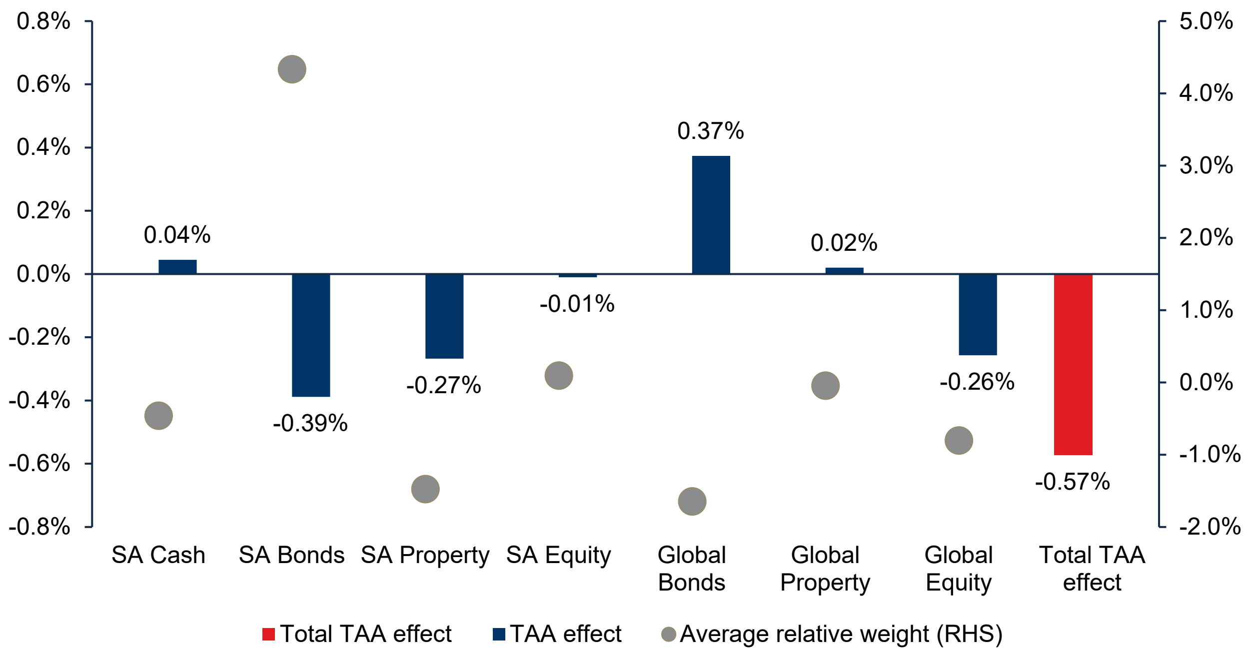
- SAA and manager selection contributed to performance while tactical asset allocation detracted from performance over the 12 months ending 31 December 2021.

Figure 3.7: Strategic asset allocation effects: 12 months to 31 December 2021



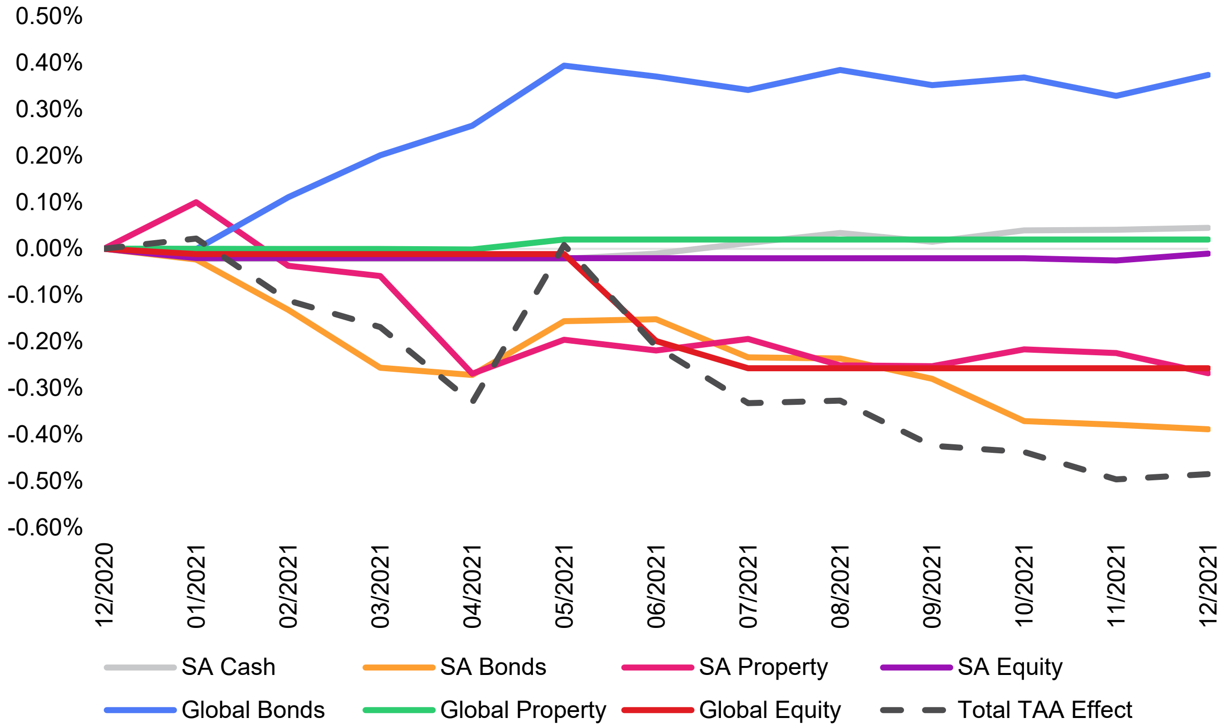
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 3% benchmark.

Figure 3.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property and Global Equity and overweight position in SA Bonds were the largest detractors over the period from a tactical asset allocation perspective. This was partly offset by our underweight position in Global Bonds.

Figure 3.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- Given the strong performance of growth assets throughout the year, the overweight position in SA Bonds detracted from performance, despite the decent real returns delivered by SA Bonds. This was exacerbated by the underweight position in local property, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 3.10: Manager selection effects: 12 months to 31 December 2021

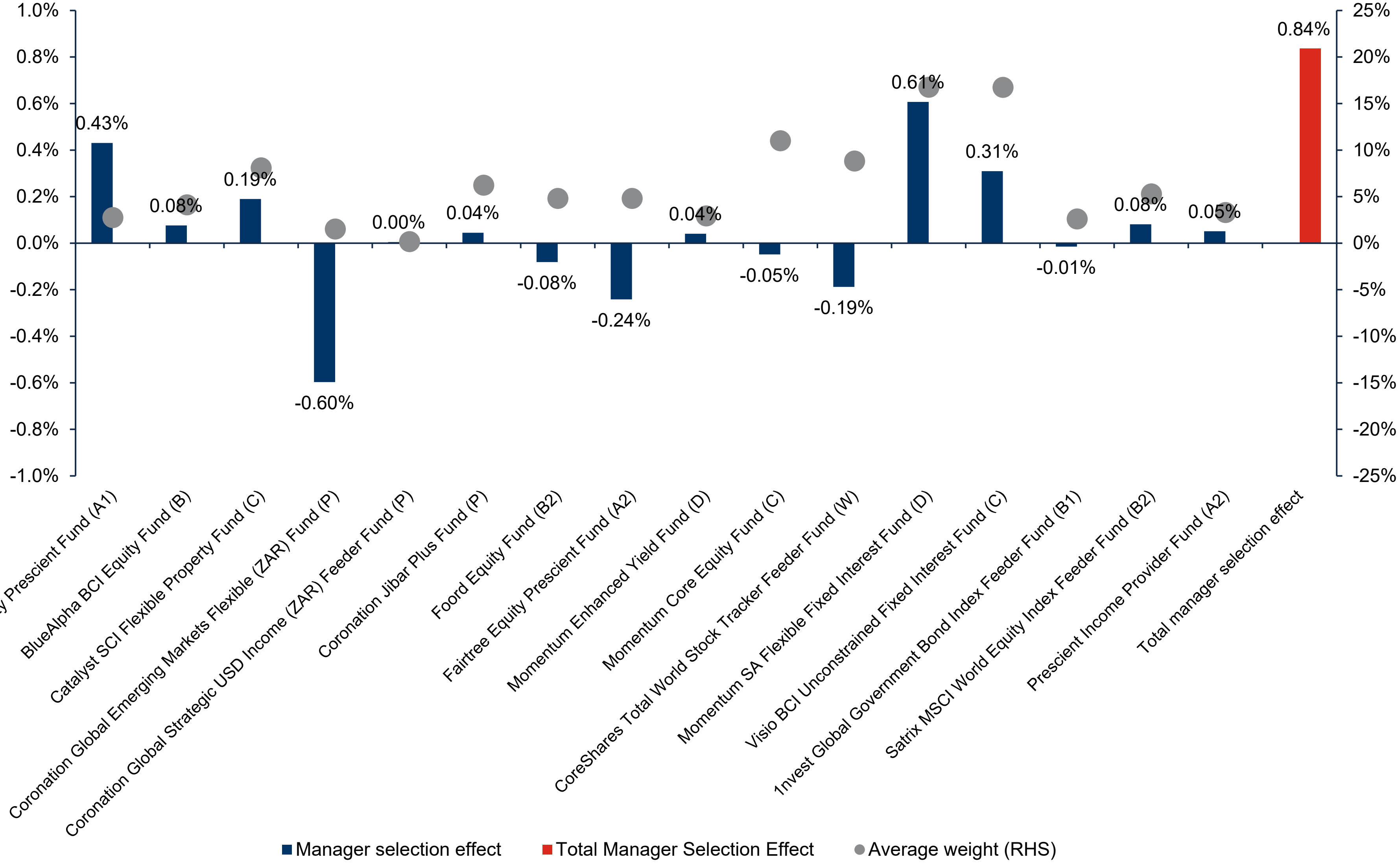
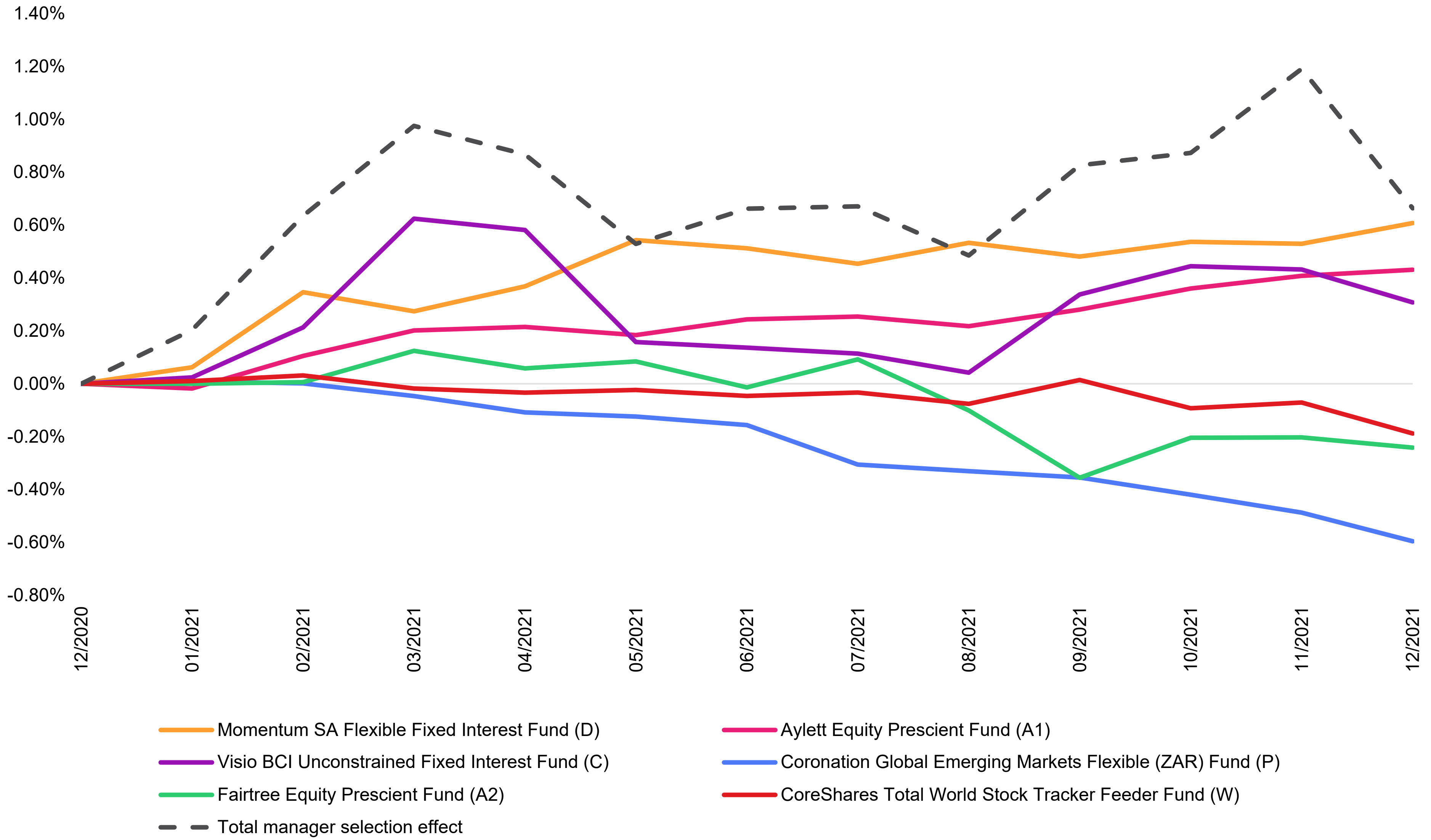


Figure 3.11: Cumulative manager selection effects: 12 months to 31 December 2021



3.4. MIC Moderate Portfolio

Investment goal: **CPI + 4%**
Time horizon: **5-years**

3.4.1. Returns

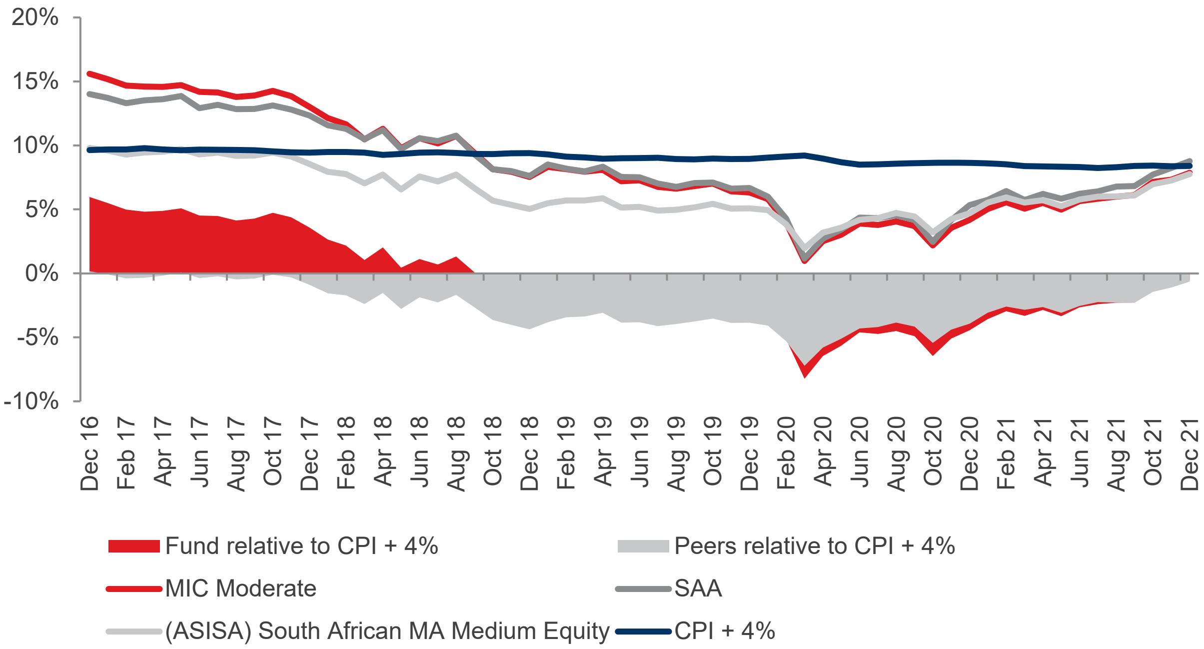
Figure 4.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
MIC Moderate	**7.6%**	**10.6%**	**22.2%**	**11.3%**	**7.9%**	**7.8%**	**8.2%**	**54**
Benchmark: CPI + 4%	1.9%	4.7%	9.5%	8.1%	8.4%	8.8%	8.2%	
SAA	7.8%	11.0%	23.1%	11.4%	8.8%	8.2%	8.9%	
(ASISA) South African MA Medium Equity	*6.7%*	*8.9%*	*17.3%*	*10.6%*	*7.8%*	*6.8%*	*8.0%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 4% benchmark by 0.5% over the 5-year period to 31 December 2021. It marginally outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 0.9% over the last 12 months, net of all investment related fees.

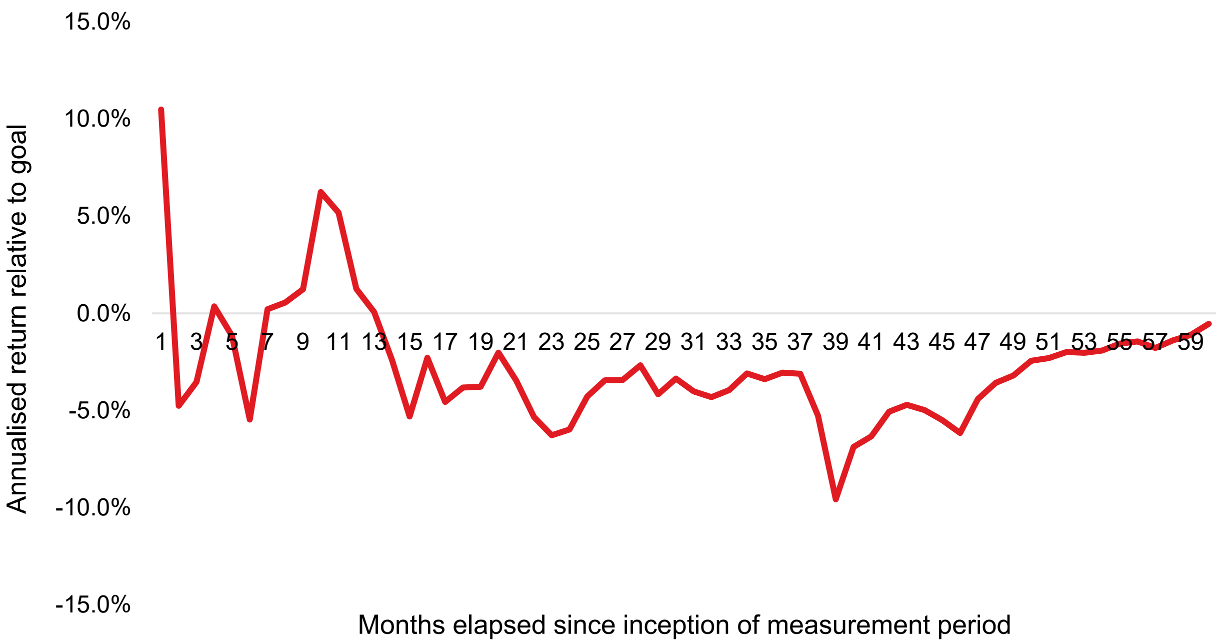
Figure 4.2: Rolling 5-year returns ann.: 10 years to 31 December 2021 *



	MIC Moderate	(ASISA) South African MA Medium Equity
Number of observations	61	
Period outperforming	22	2
Realised probability of outperforming	**36%**	3%
Max outperformance p.a.	**6.0%**	0.2%
Max underperformance p.a.	**-8.2%**	-7.2%

- Over the last 10 years, the portfolio outperformed its benchmark on 36% of the total rolling 5-year periods. This compares favourably with the peer group, which only managed to outperform on 3% of the rolling 5-year periods.

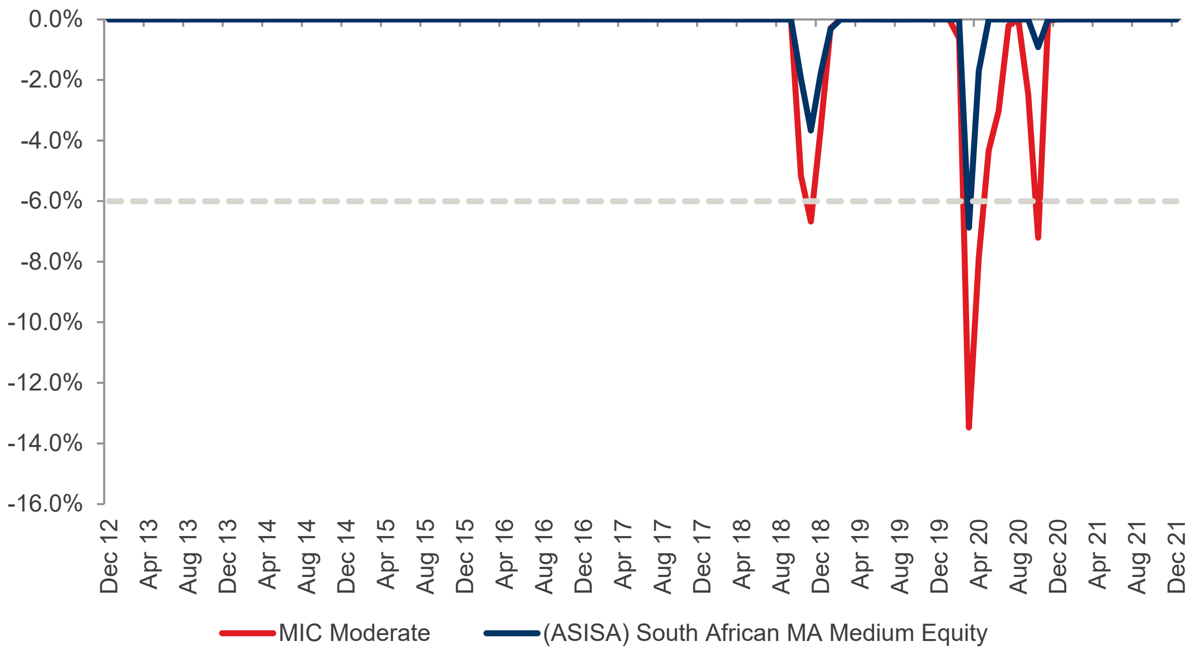
Figure 4.3: Portfolio performance relative to goal*



- The volatility in growth asset classes over the last 5 years to 31 December is clearly illustrated by the above graph. However, despite the volatility in the markets, the portfolio only marginally underperformed its benchmark over the measurement period.

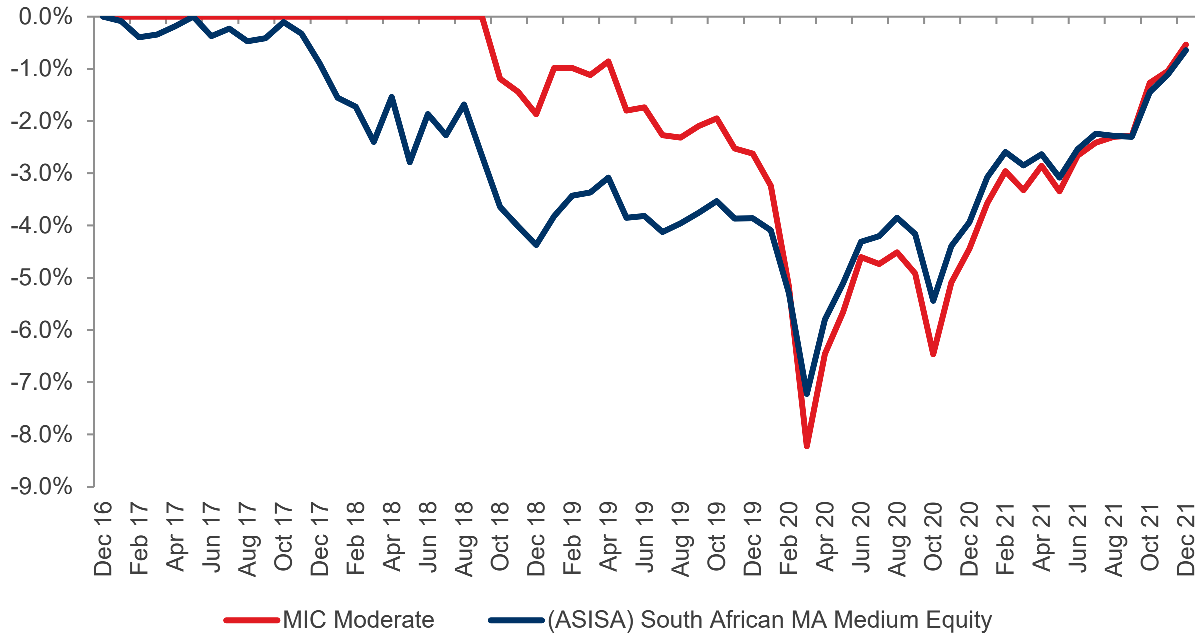
3.4.2. Risk

Figure 4.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 6% three times. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

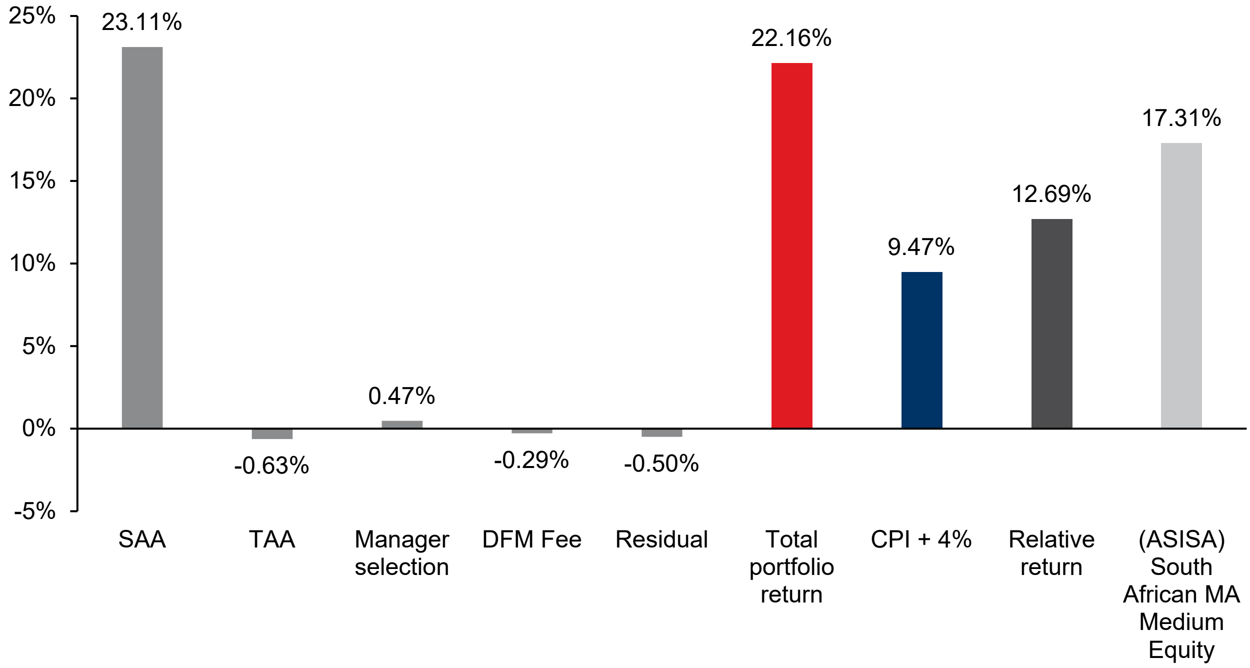
Figure 4.5: Rolling 5-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- Even though the portfolio underperformed its benchmark over rolling 5 years, and recently greater than the peer group, it managed to outperform CPI+4% more consistently than the peer group.

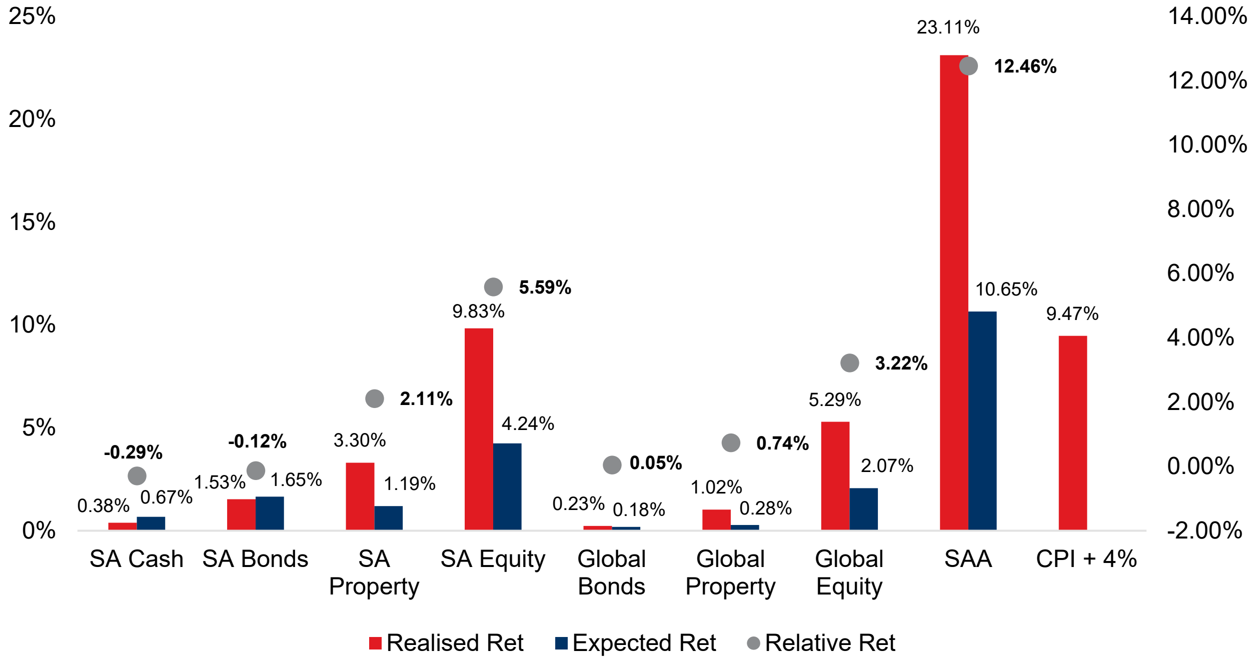
3.4.3. Performance attribution

Figure 4.6: Total return attribution: 12 months to 31 December 2021



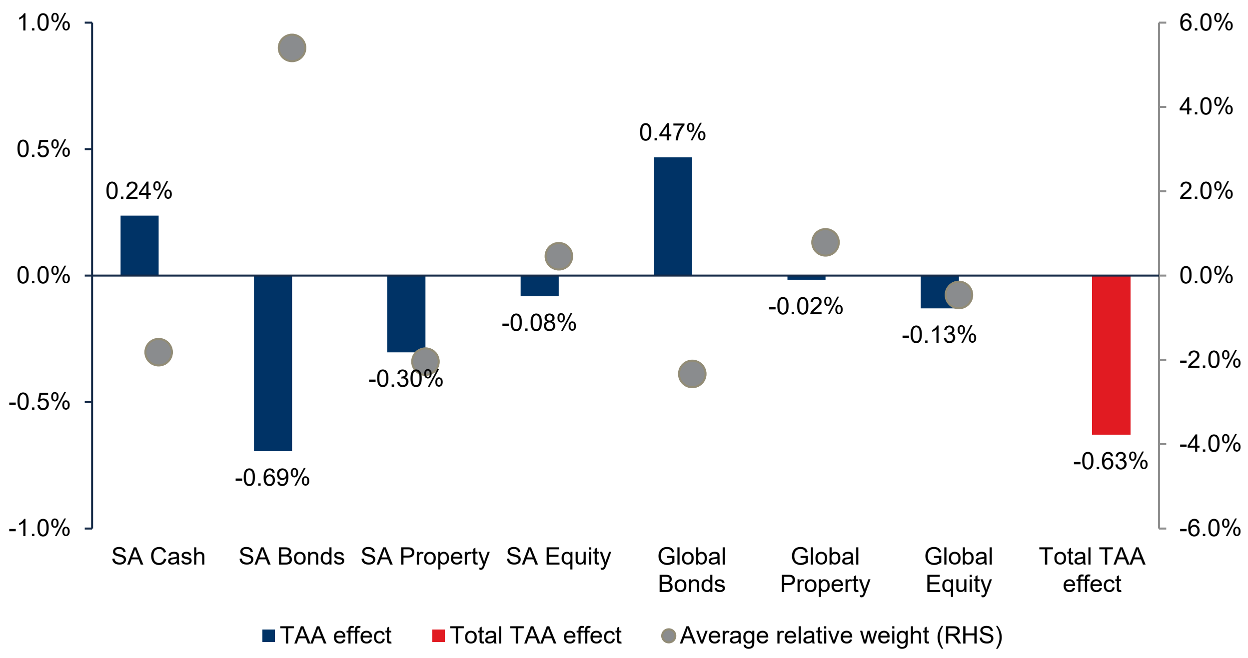
- SAA and manager selection contributed to performance while tactical asset allocation detracted from performance over the 12 months ending 31 December 2021.

Figure 4.7: Strategic asset allocation effects: 12 months to 31 December 2021



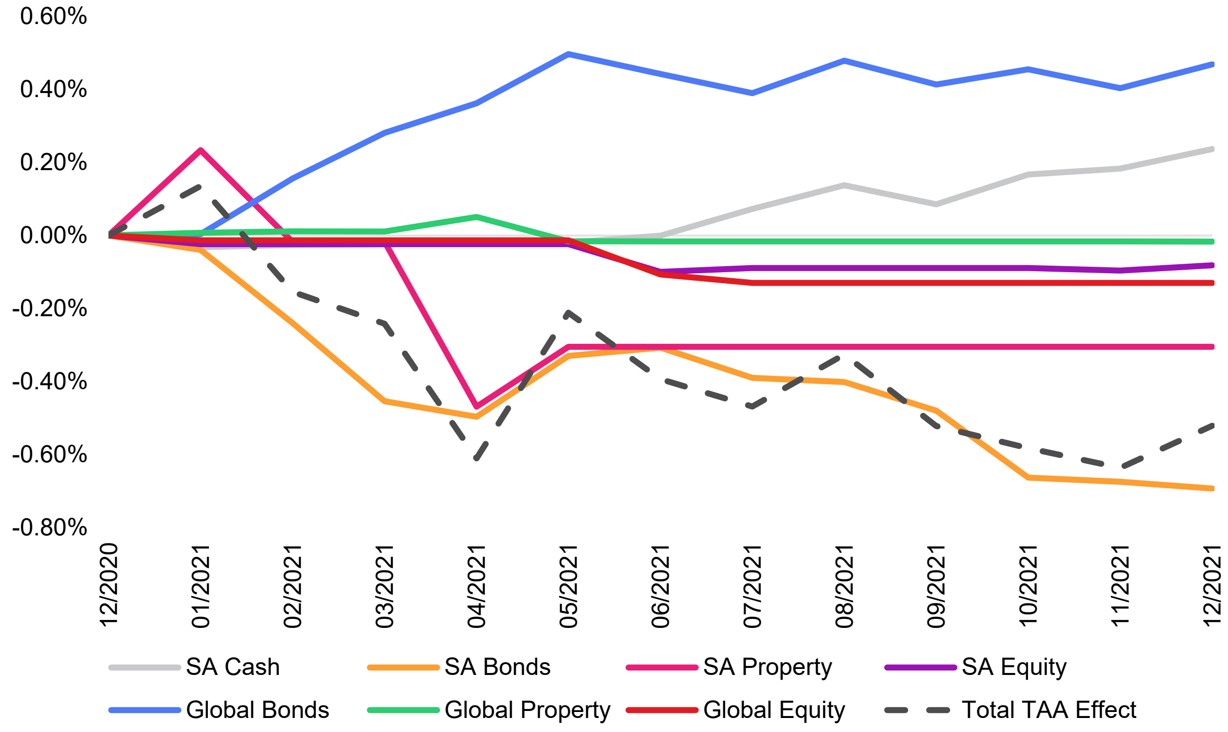
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 4% benchmark.

Figure 4.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property and overweight position in SA Bonds were the largest detractors over the period from a tactical asset allocation perspective. This was partly offset by our underweight position in Global Bonds and SA Cash.

Figure 4.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- Given the strong performance of growth assets throughout the year, the overweight position in SA Bonds detracted from performance, despite the decent real returns delivered by SA Bonds. This was exacerbated by the underweight position in local property, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 4.10: Manager selection effects: 12 months to 31 December 2021

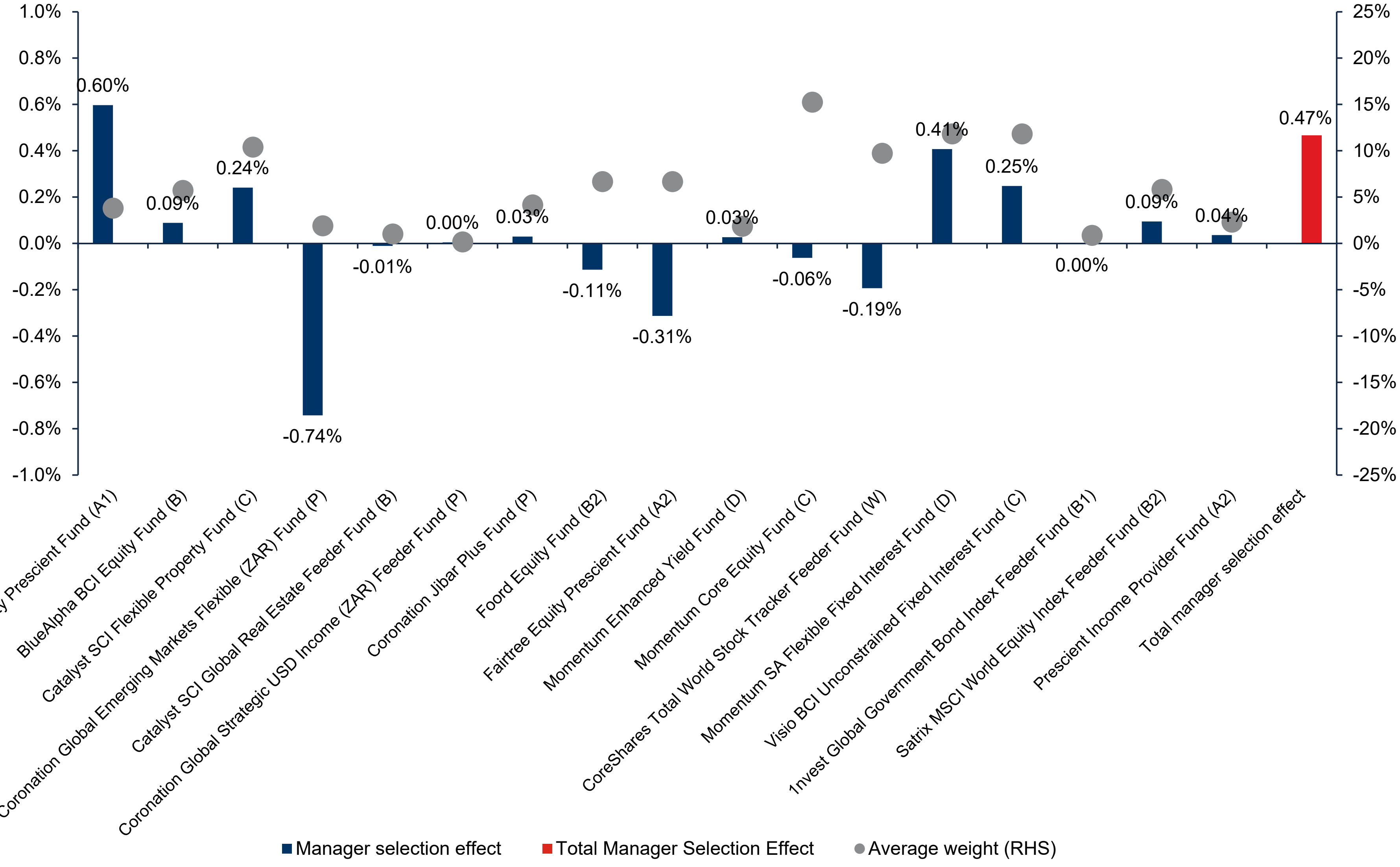
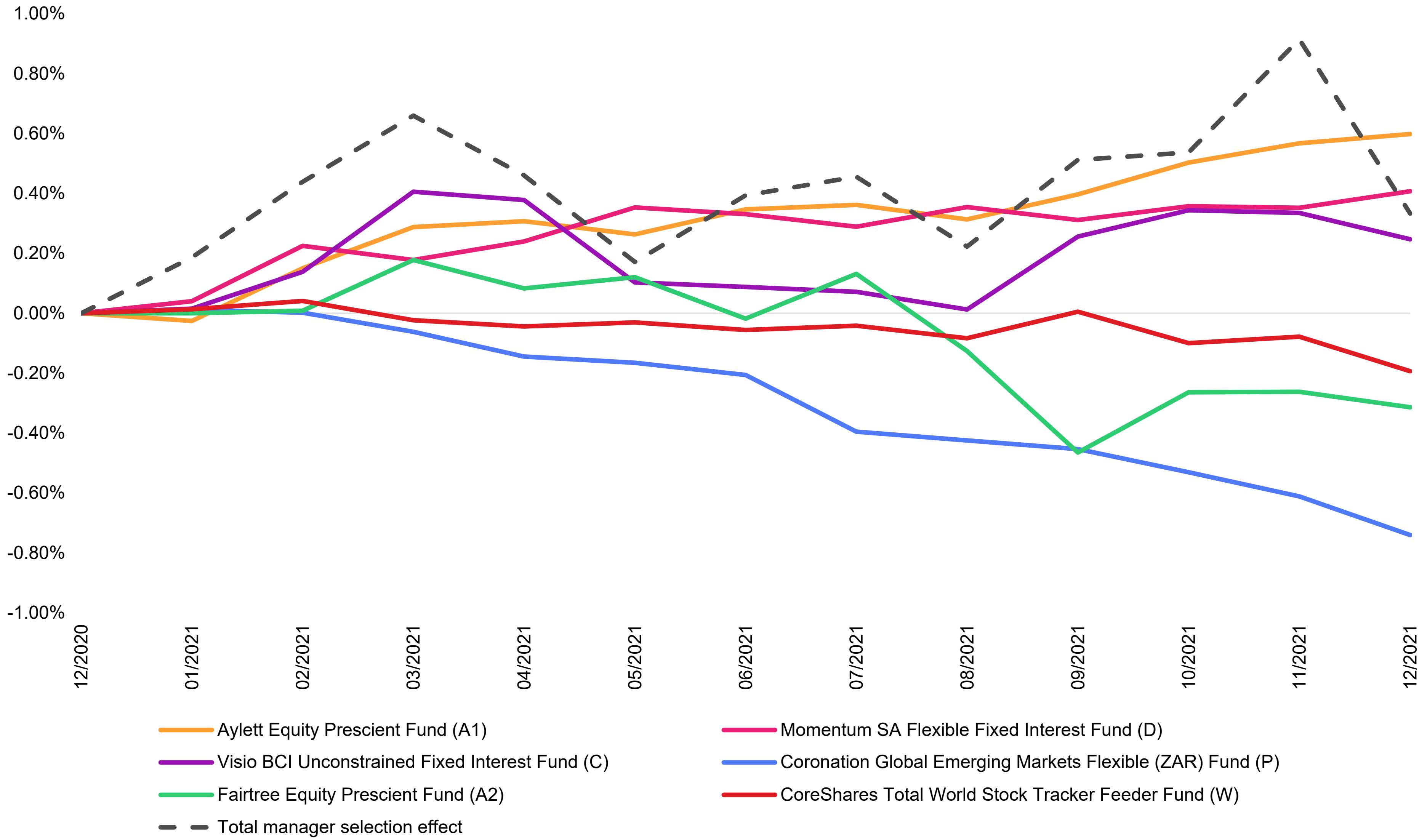


Figure 4.11: Cumulative manager selection effects: 12 months to 31 December 2021



3.5. MIC Balanced Portfolio

Investment goal: **CPI + 5%**
Time horizon: **6-years**

3.5.1. Returns

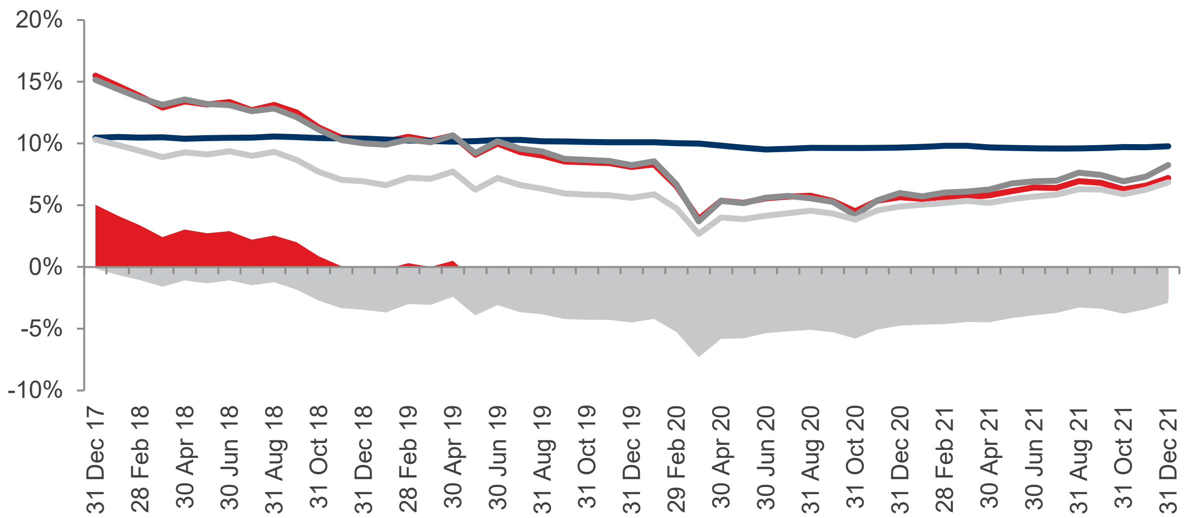
Figure 5.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	2y (ann.)	4y (ann.)	6y (ann.)	SI* (ann.)	Mths SI*
MIC Balanced	**8.0%**	**11.4%**	**24.2%**	**12.9%**	**7.8%**	**7.2%**	**8.7%**	**54**
Benchmark: CPI + 5%	2.2%	5.2%	10.5%	9.3%	9.3%	9.8%	9.2%	
SAA	8.3%	11.9%	25.2%	13.1%	7.7%	8.3%	9.3%	
(ASISA) South African MA High Equity	*7.3%*	*10.0%*	*20.3%*	*12.5%*	*7.5%*	*6.9%*	*8.4%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 5% benchmark by 2.6% over the 6-year period to 31 December 2021. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 1.0% over the last 12 months, net of all investment related fees.

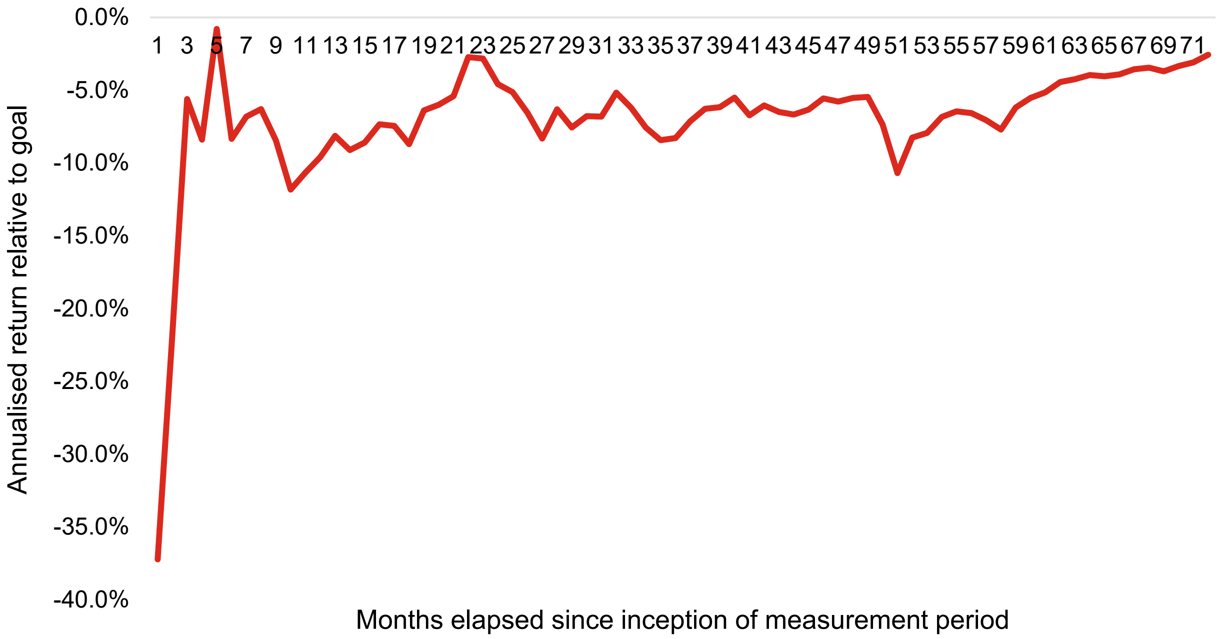
Figure 5.2: Rolling 6-year returns ann.: 10 years to 31 December 2021 *



	MIC Balanced	(ASISA) South African MA High Equity
Number of observations	49	
Period outperforming	15	0
Realised probability of outperforming	**31%**	0%
Max outperformance p.a.	**5.0%**	-0.1%
Max underperformance p.a.	**-6.1%**	-7.3%

- Over the last 10 years, the portfolio outperformed its benchmark on 31% of the total rolling 6-year periods. This compares favourably with the peer group, which never managed to outperform over the rolling 6-year periods.

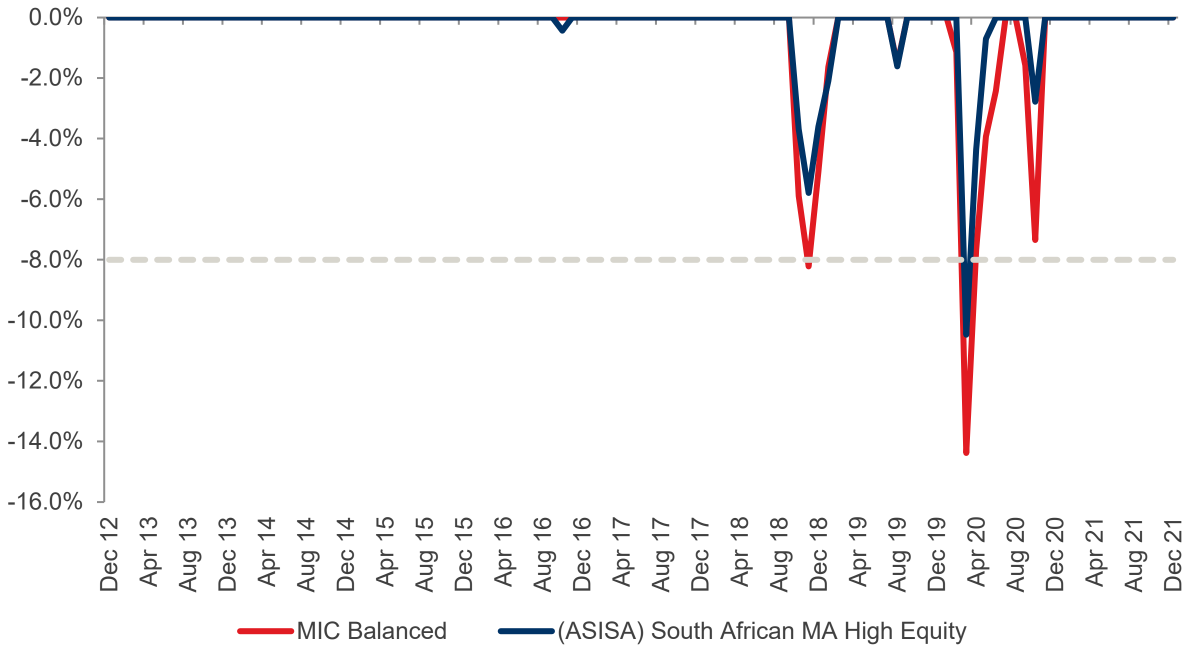
Figure 5.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 2021 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from the growth asset classes. Subsequent to the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark.

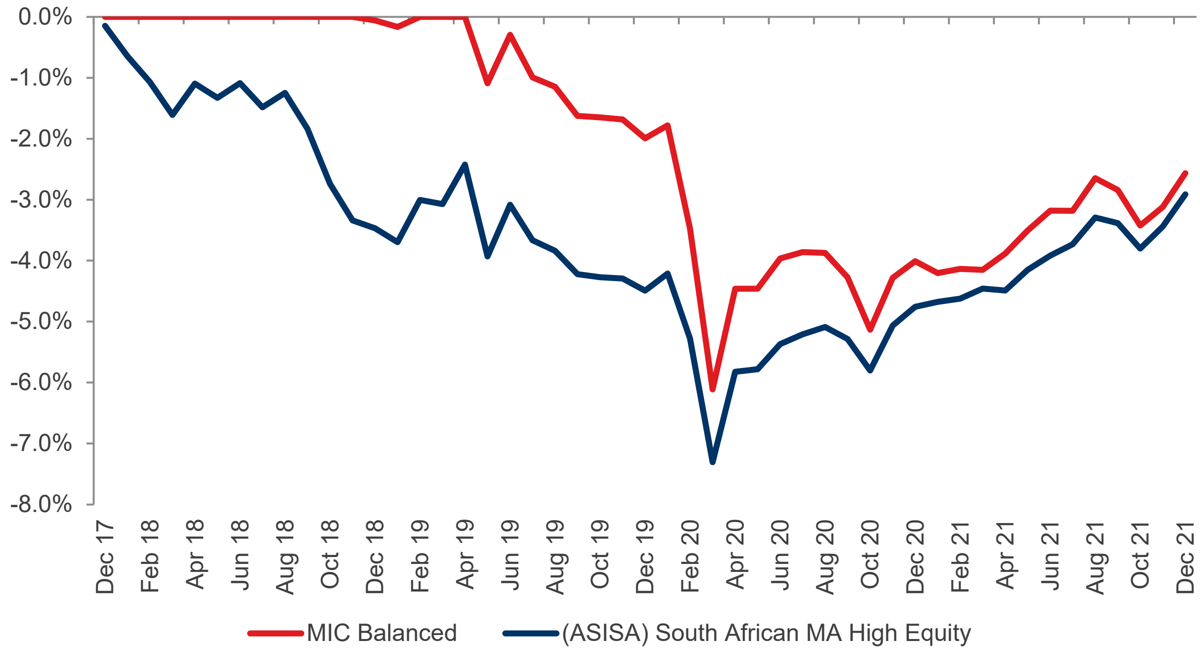
3.5.2. Risk

Figure 5.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 8% twice. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

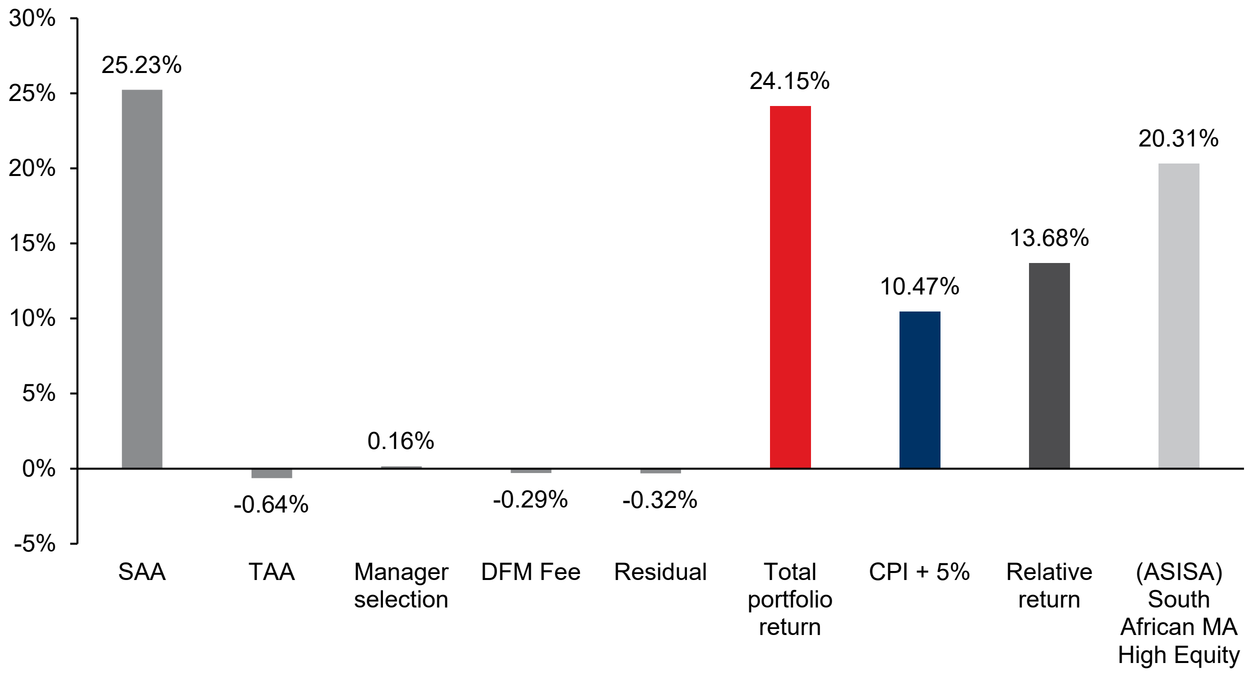
Figure 5.5: Rolling 6-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- Even though the portfolio underperformed its benchmark over rolling 6 years, it was to a lesser extent than the peer group. The portfolio also managed to outperform CPI+5% more consistently than the peer group.

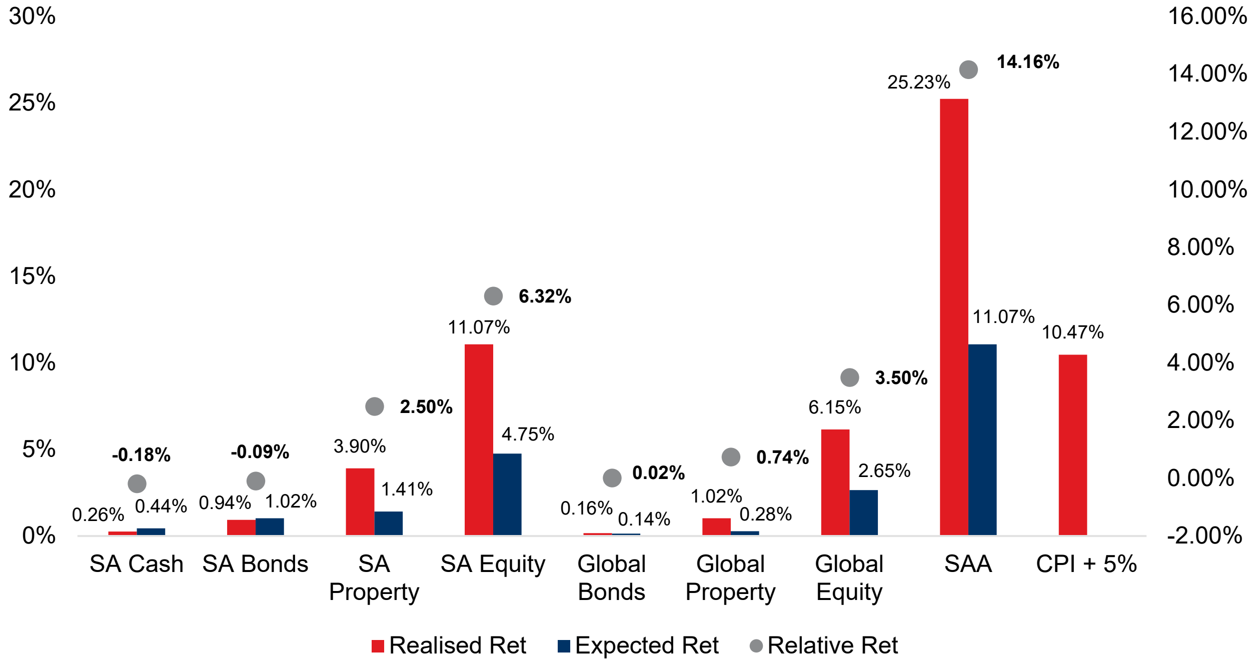
3.5.3. Performance attribution

Figure 5.6: Total return attribution: 12 months to 31 December 2021



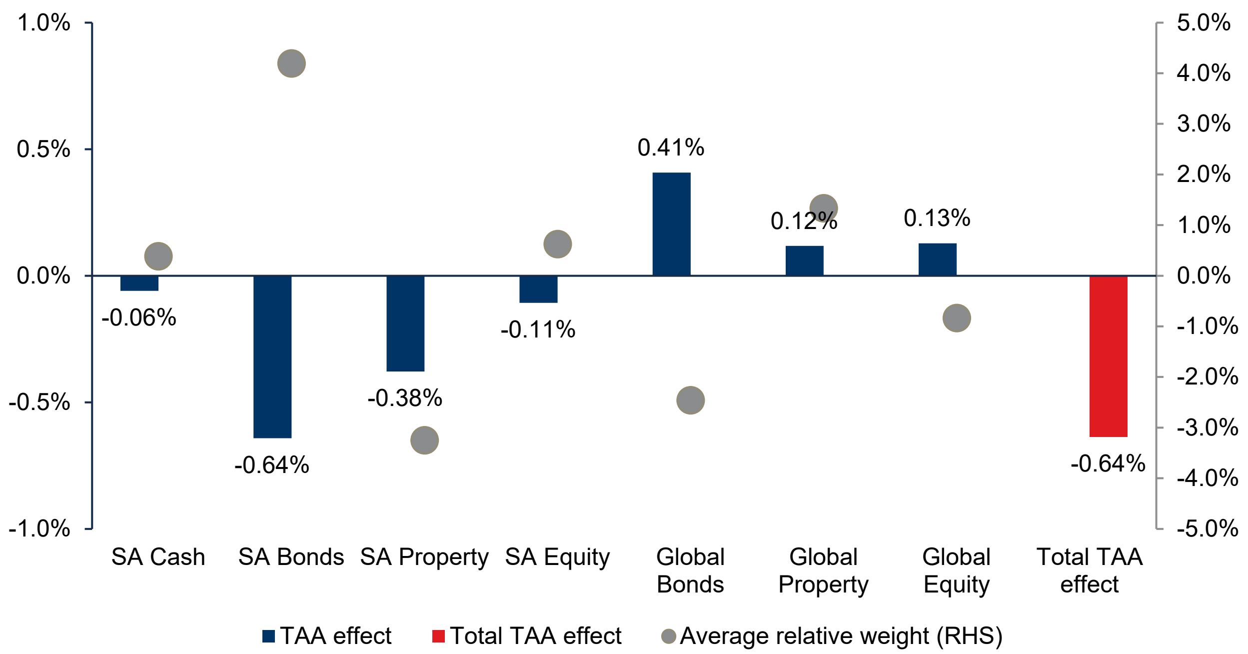
- SAA and manager selection contributed to performance while tactical asset allocation detracted from performance over the 12 months ending 31 December 2021.

Figure 5.7: Strategic asset allocation effects: 12 months to 31 December 2021



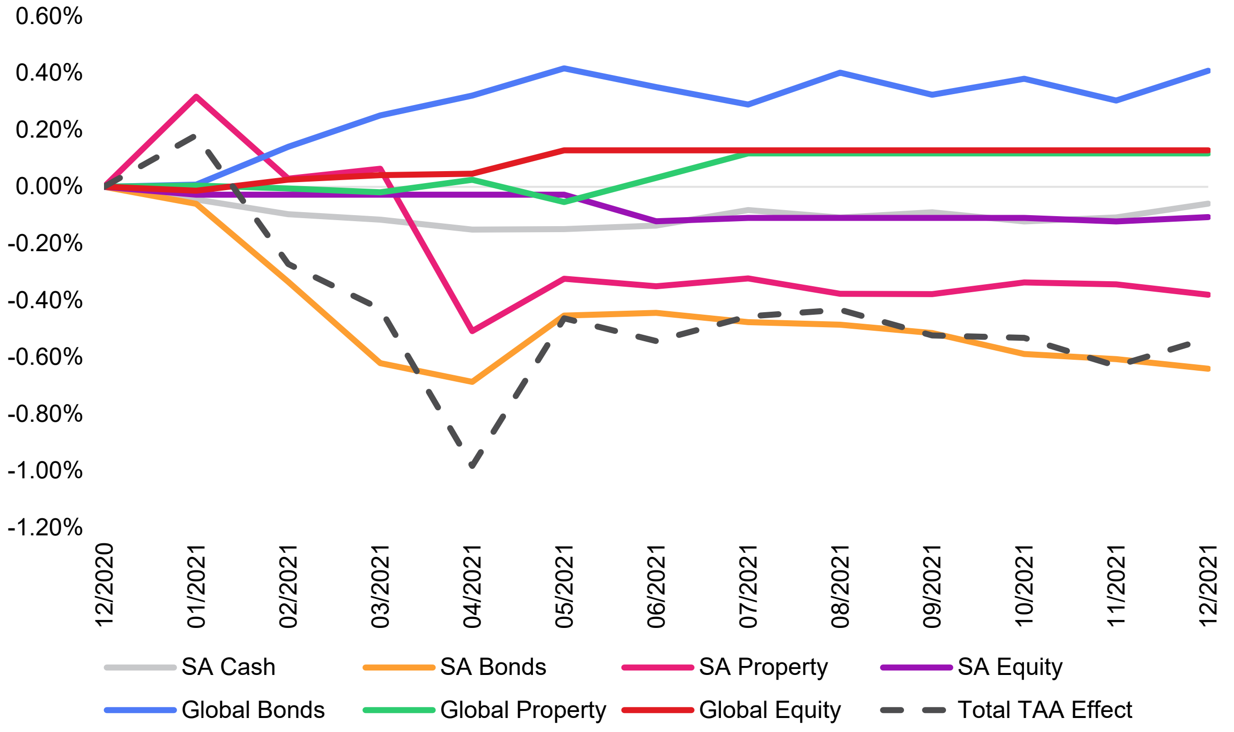
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 5% benchmark.

Figure 5.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property and overweight position in SA Bonds were the largest detractors over the period from a tactical asset allocation perspective. This was partly offset by our underweight position in Global Bonds.

Figure 5.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- Given the strong performance of growth assets throughout the year, the overweight position in SA Bonds detracted from performance, despite the decent real returns delivered by SA Bonds. This was exacerbated by the underweight position in local property, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 5.10: Manager selection effects: 12 months to 31 December 2021

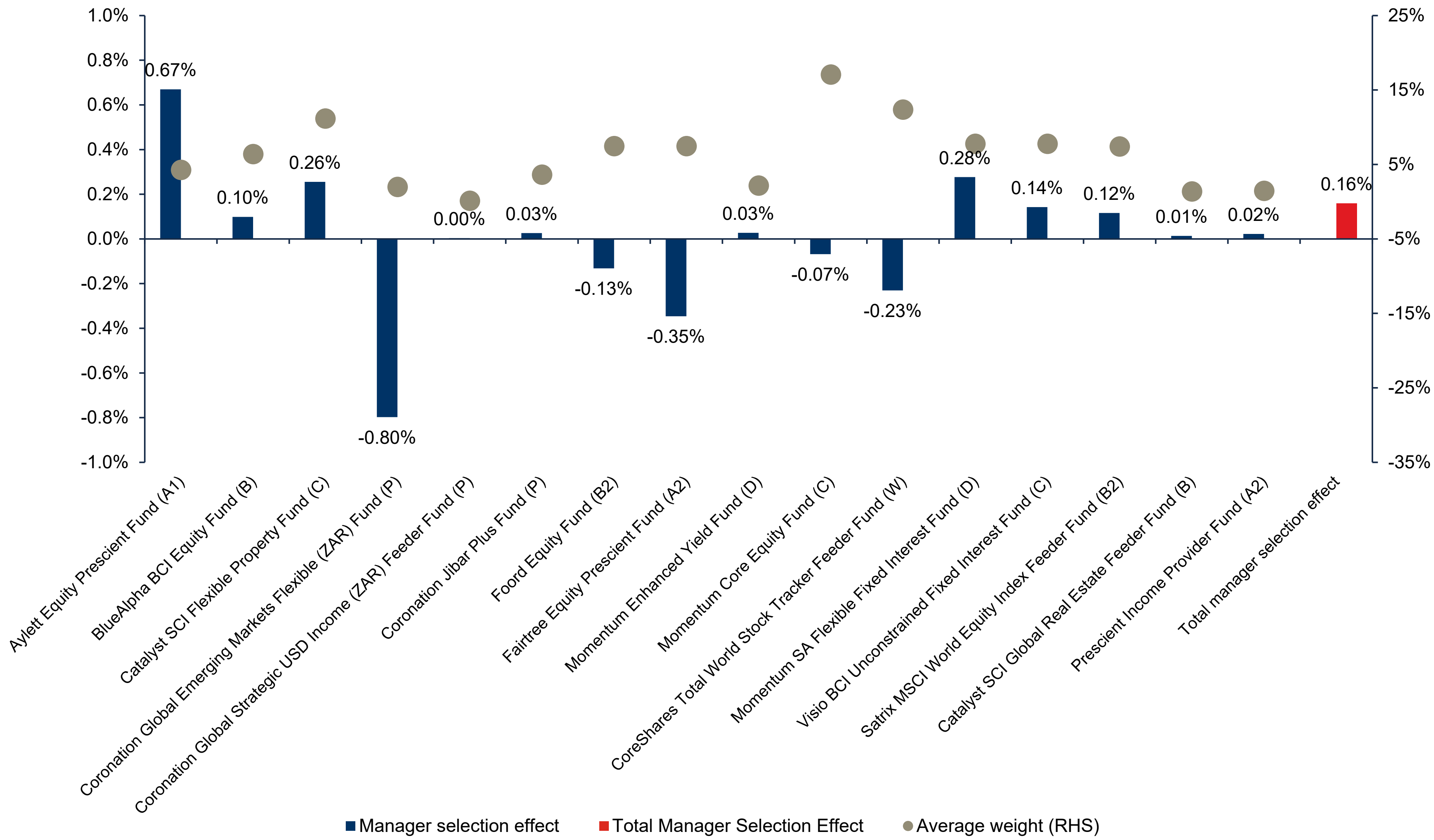
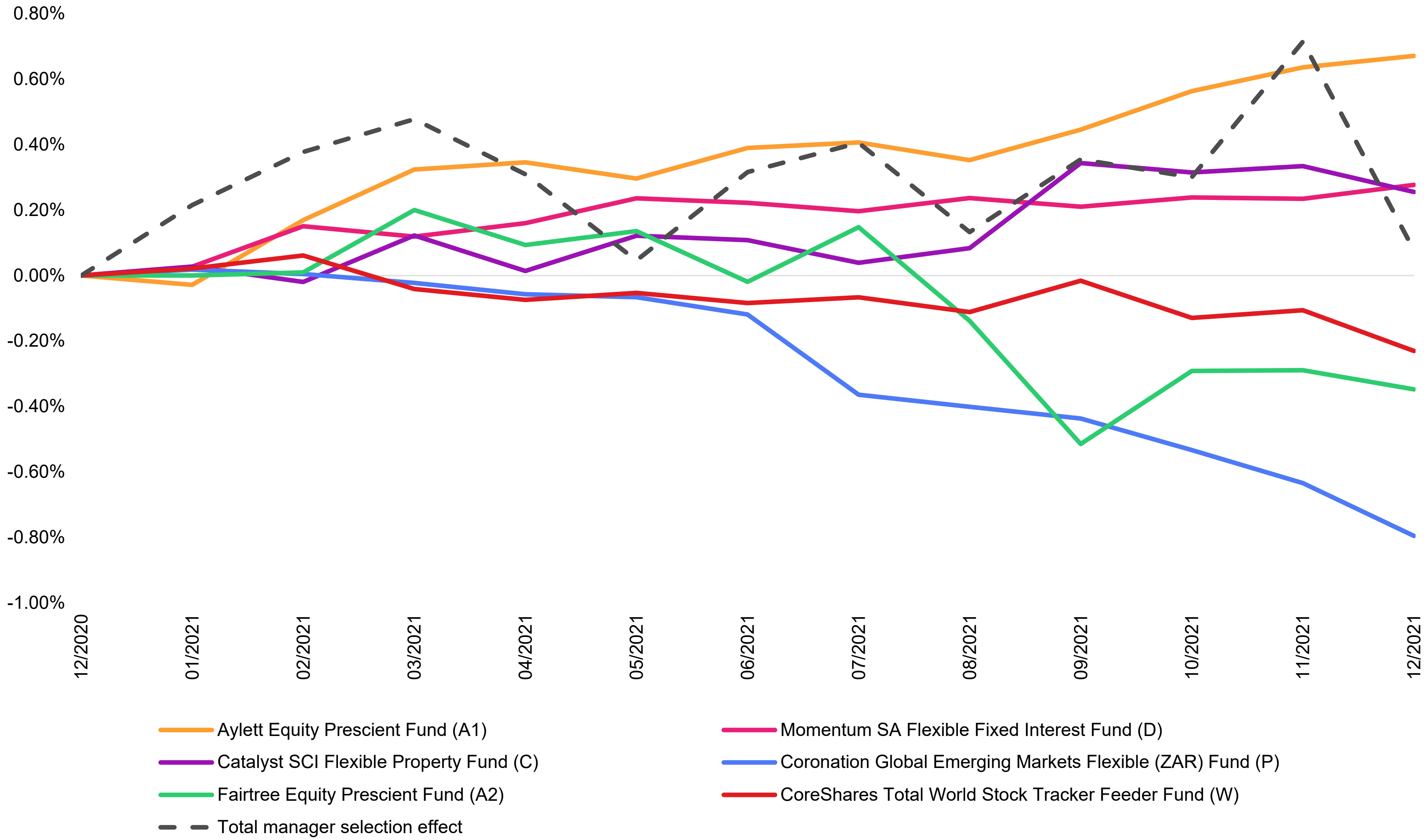


Figure 5.11: Cumulative manager selection effects: 12 months to 31 December 2021



3.6. MIC Growth Portfolio

Investment goal: **CPI + 6%**
Time horizon: **7-years**

3.6.1. Returns

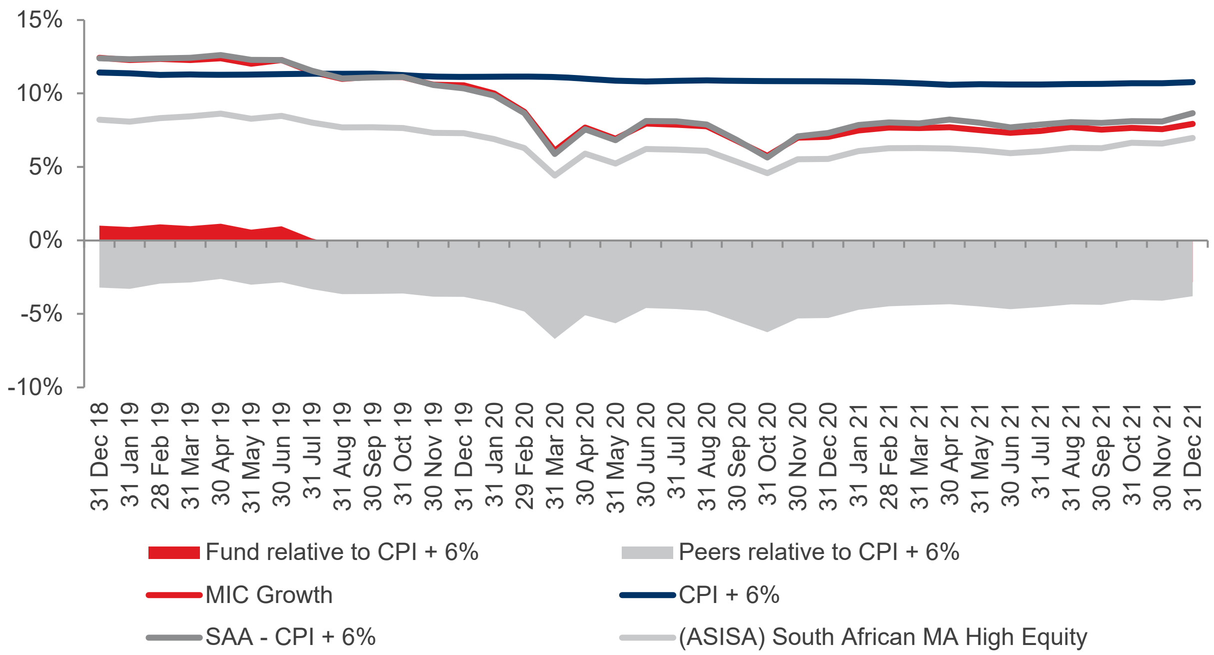
Figure 6.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
MIC Growth	**8.6%**	**12.0%**	**25.1%**	**12.4%**	**8.1%**	**7.9%**	**8.5%**	**54**
Benchmark: CPI + 6%	2.4%	5.6%	11.5%	10.1%	10.4%	10.8%	10.2%	
SAA	9.3%	13.0%	27.1%	12.7%	9.4%	8.7%	9.6%	
(ASISA) South African MA High Equity	*7.3%*	*10.0%*	*20.3%*	*11.5%*	*8.0%*	*7.0%*	*8.4%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 6% benchmark by 2.9% p.a. over the 7-year period to 31 December 2021. It outperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 2.0% over the last 12 months, net of all investment related fees.

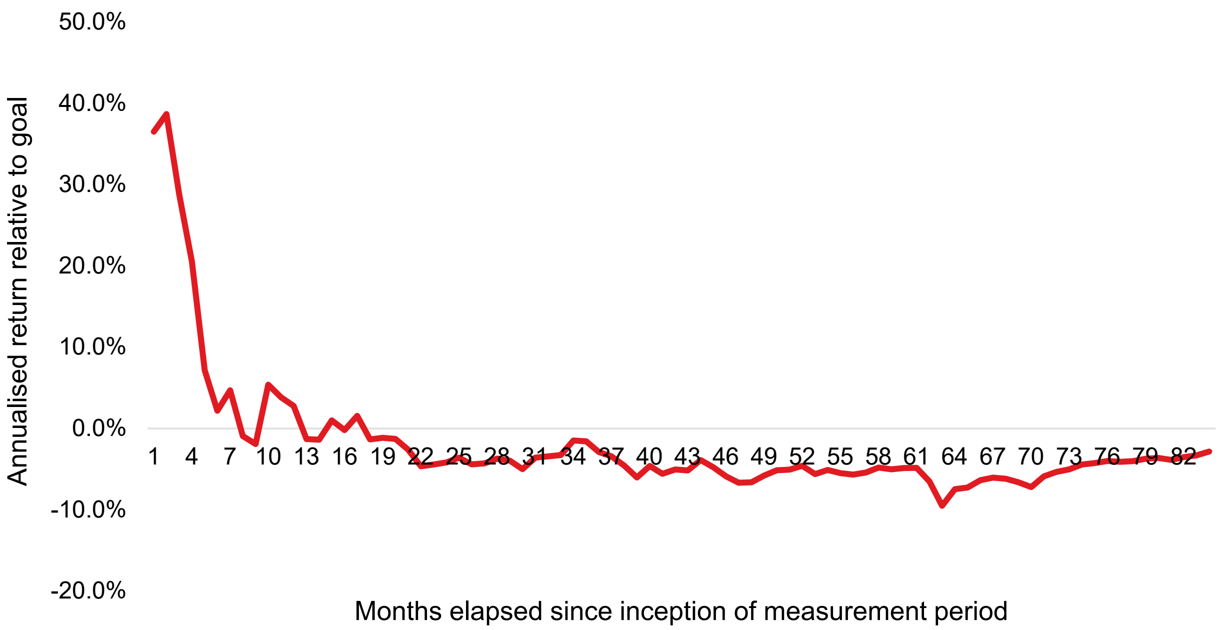
Figure 6.2: Rolling 7-year returns ann.: 10 years to 31 December 2021 *



	MIC Growth	(ASISA) South African MA High Equity
Number of observations	37	
Period outperforming	8	0
Realised probability of outperforming	**22%**	0%
Max outperformance p.a.	**1.1%**	-2.6%
Max underperformance p.a.	**-5.1%**	-6.7%

- Over the last 10-years, the portfolio outperformed its benchmark on 22% of the total rolling 7-year periods. This compares favourably with the peer group, which never managed to outperform over the rolling 7-year periods.

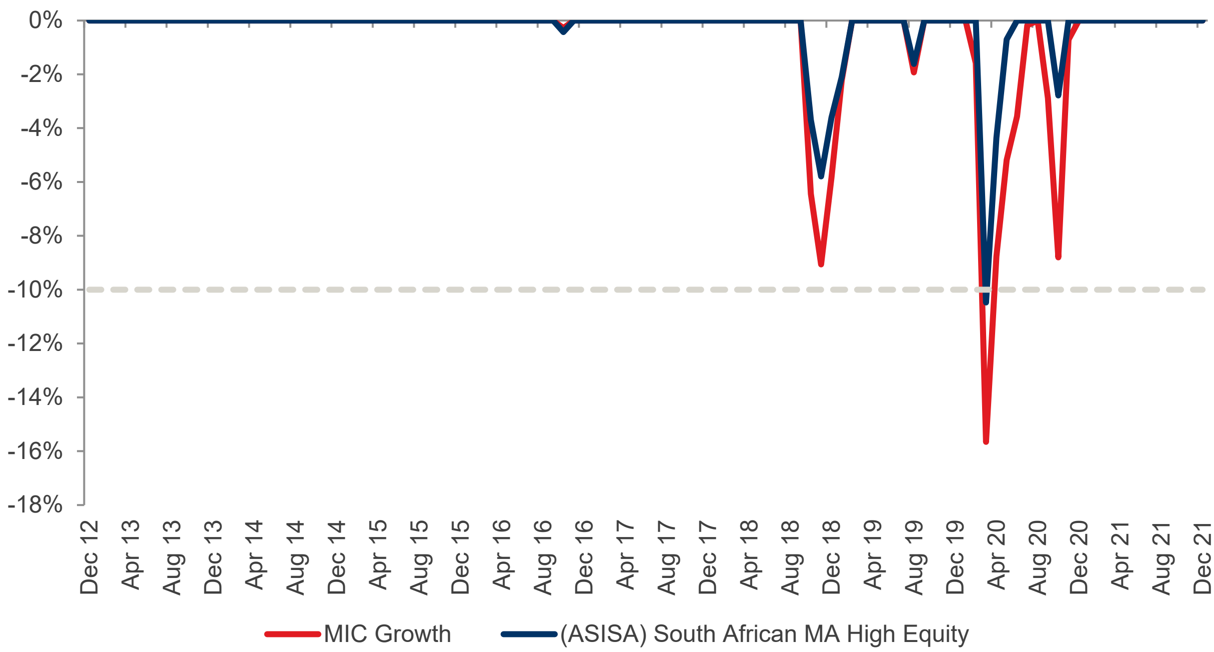
Figure 6.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 2021 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from the growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark.

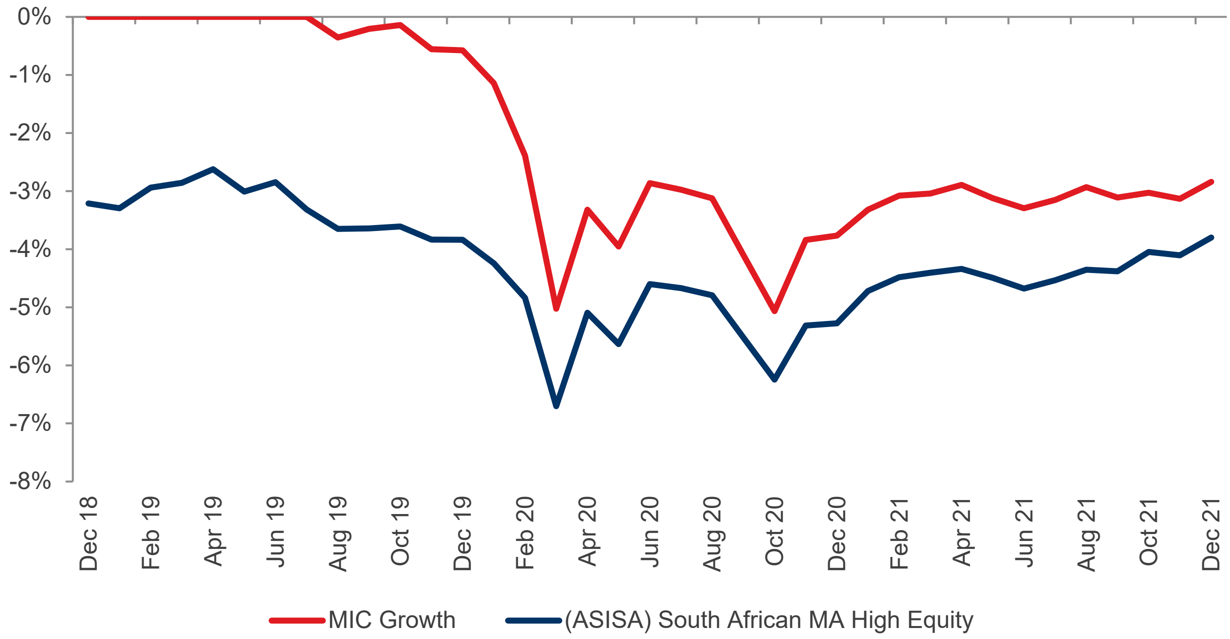
3.6.2. Risk

Figure 6.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 10% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

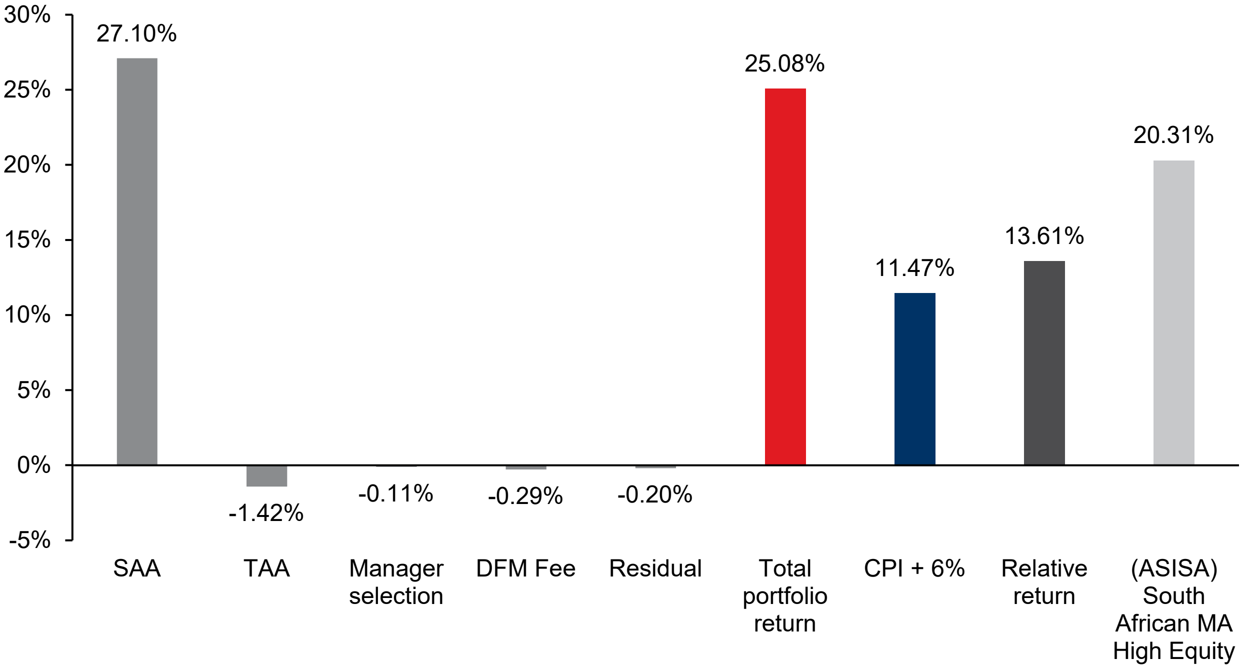
Figure 6.5: Rolling 7-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- Even though the portfolio underperformed its benchmark over rolling 7 years, it was to a lesser extent than the peer group. The portfolio also managed to outperform CPI+6% more consistently than the peer group.

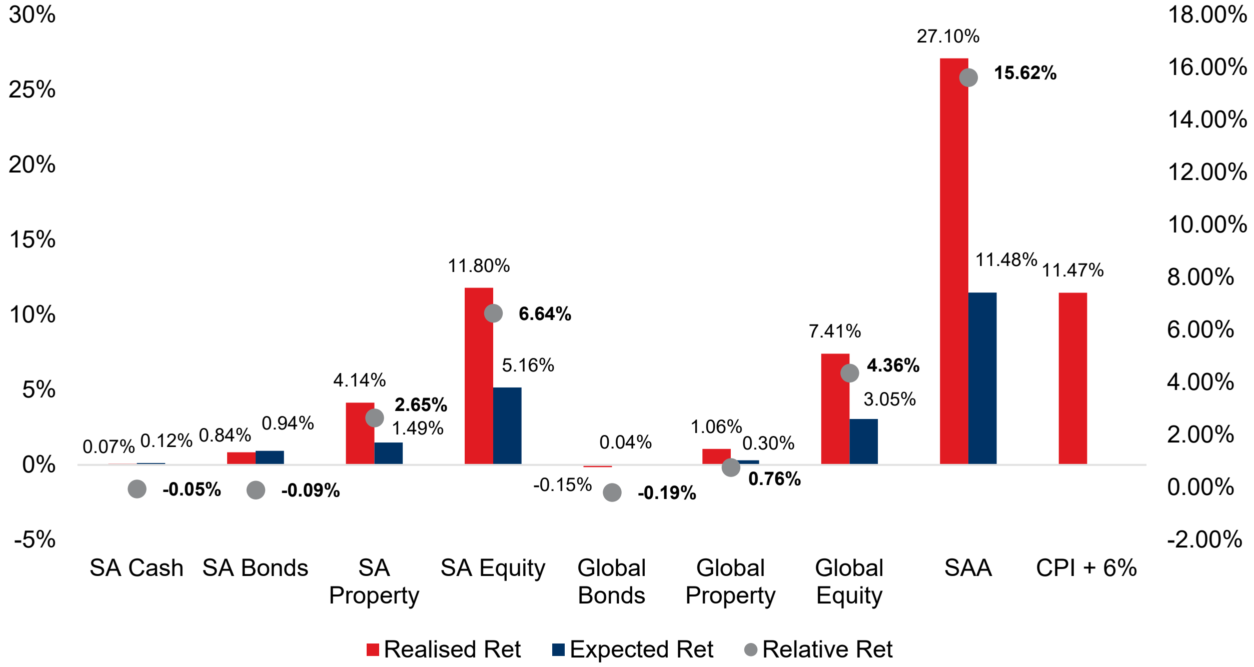
3.6.3. Performance attribution

Figure 6.6: Total return attribution: 12 months to 31 December 2021



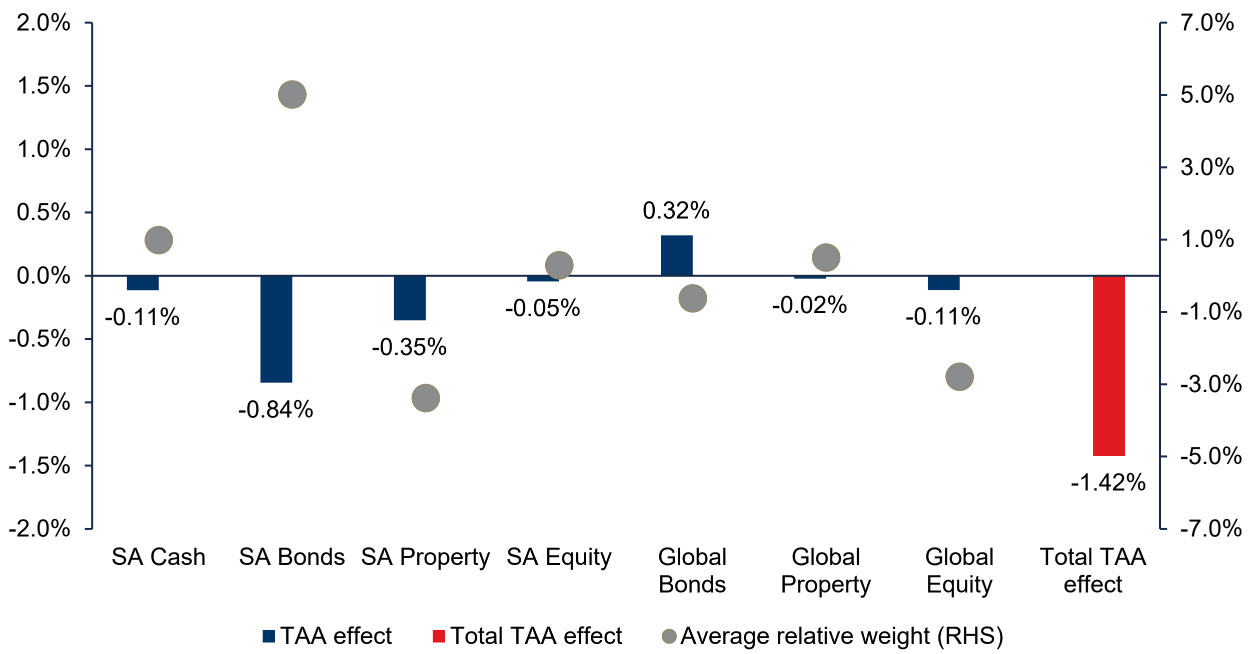
- SAA contributed to performance while tactical asset allocation and manager selection detracted from performance over the 12 months ending 31 December 2021.

Figure 6.7: Strategic asset allocation effects: 12 months to 31 December 2021



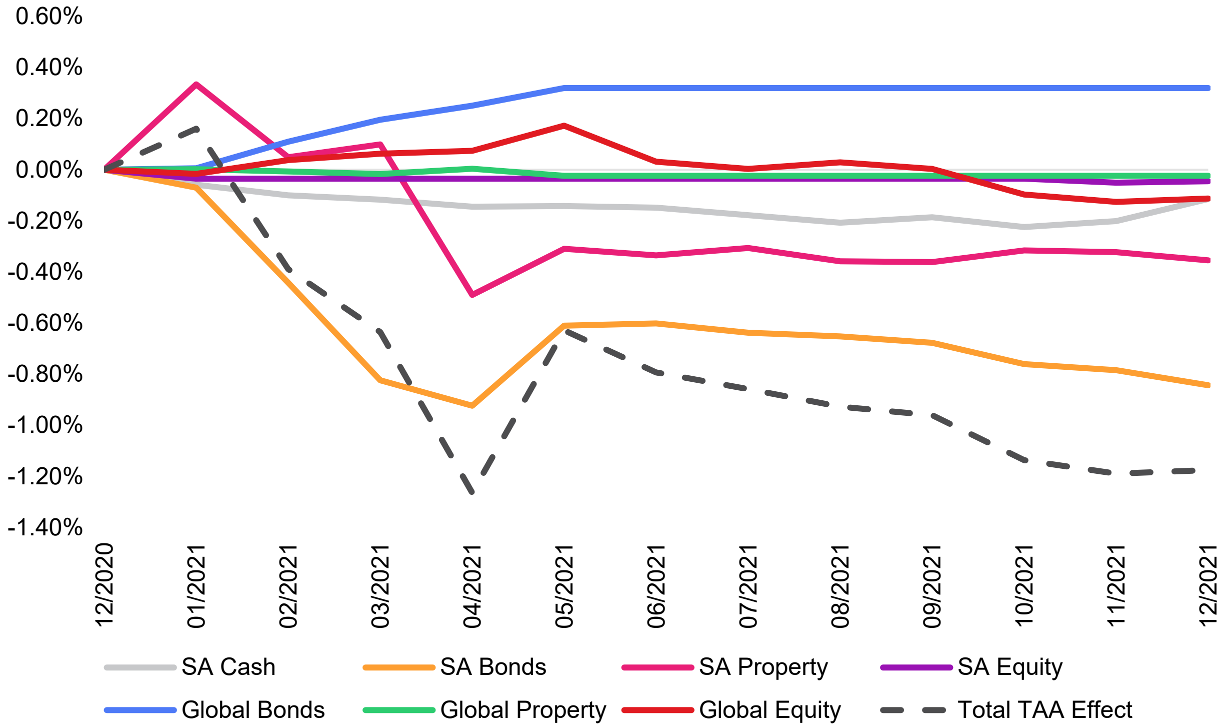
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 6% benchmark.

Figure 6.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property and overweight position in SA Bonds were the largest detractors over the period from a tactical asset allocation perspective. This was partly offset by our underweight position in Global Bonds.

Figure 6.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- Given the strong performance of growth assets throughout the year, the overweight position in SA Bonds detracted from performance, despite the decent real returns delivered by SA Bonds. This was exacerbated by the underweight position in local property, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 6.10: Manager selection effects: 12 months to 31 December 2021

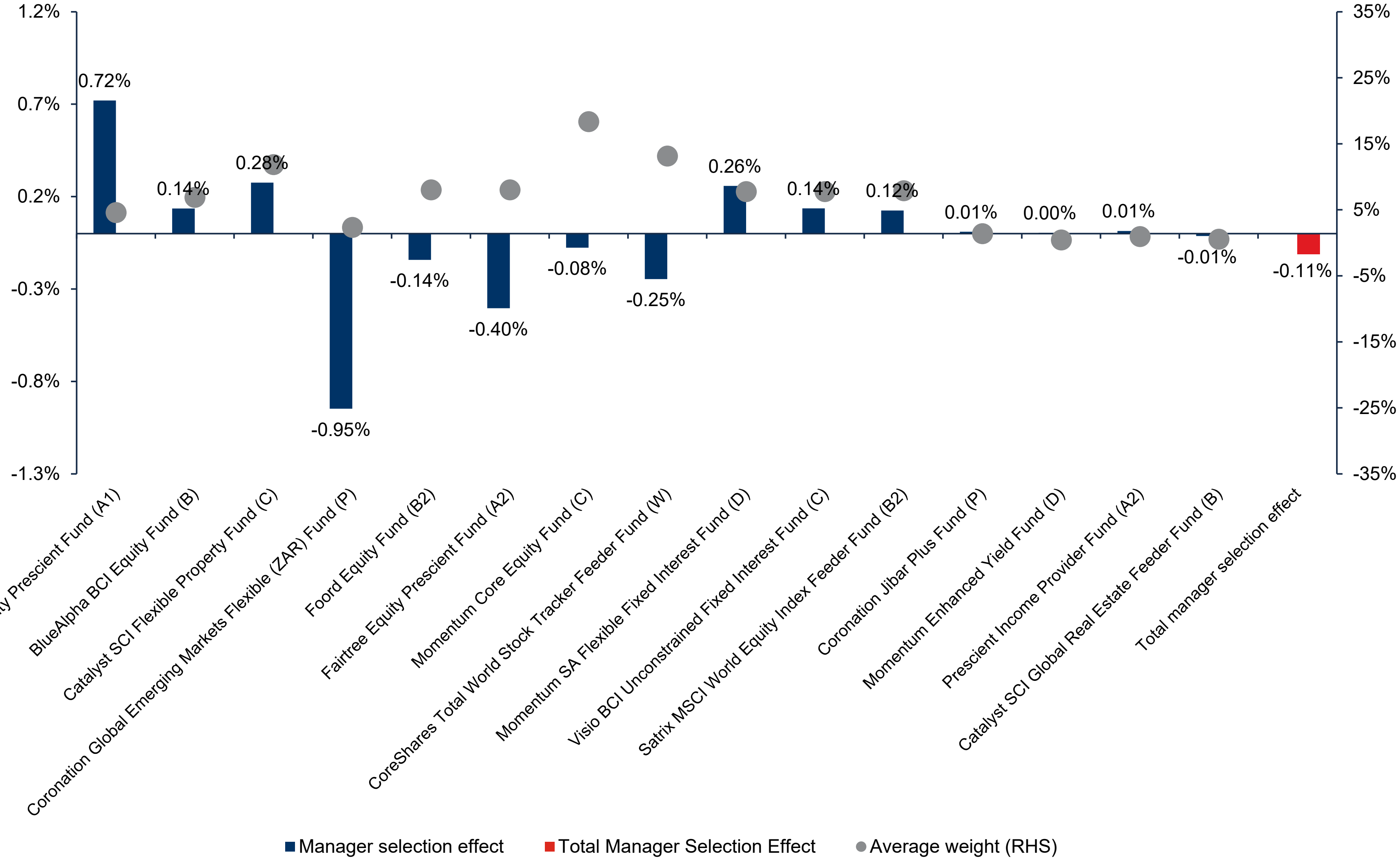
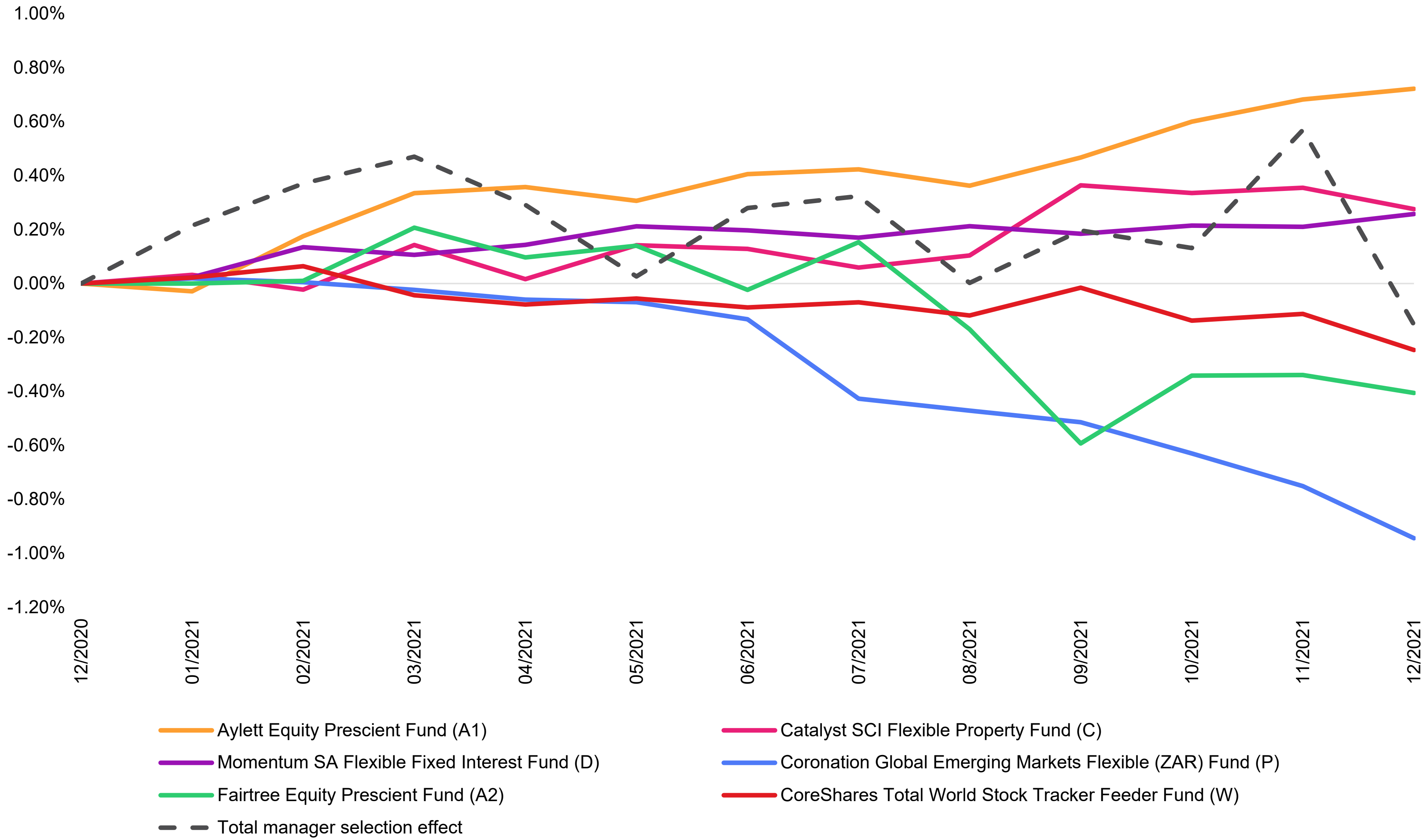


Figure 6.11: Cumulative manager selection effects: 12 months to 31 December 2021



3.7. MIC Unconstrained Portfolio

Investment goal: **CPI + 6%**
Time horizon: **7-years**

3.7.1. Returns

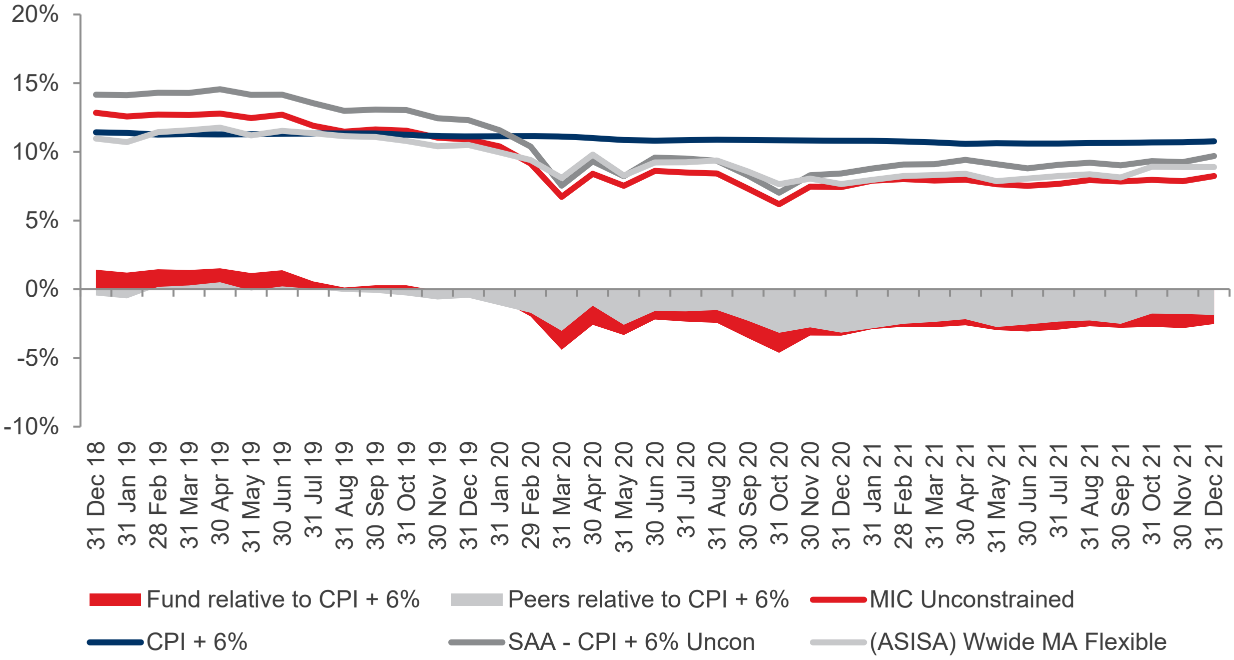
Figure 7.1: Trailing returns as at 31 December 2021*:

	3m	6m	1y	3y (ann.)	5y (ann.)	7y (ann.)	SI* (ann.)	Mths SI*
MIC Unconstrained	**8.9%**	**12.6%**	**25.2%**	**13.5%**	**8.7%**	**8.2%**	**9.3%**	**54**
Benchmark: CPI + 6%	2.4%	5.6%	11.5%	10.1%	10.4%	10.8%	10.2%	
SAA	9.4%	13.2%	27.3%	13.9%	10.1%	9.7%	10.2%	
(ASISA) Wwide MA Flexible	*8.1%*	*10.9%*	*19.8%*	*14.5%*	*9.8%*	*8.9%*	*10.2%*	

**SI. = "Since inception". This is the inception date of the tracker investment. Returns prior to inception are calculated on a back tested basis.*

- The portfolio underperformed its CPI + 6% benchmark by 2.6% p.a. over the 7-year period to 31 December 2021. It also underperformed the peer group over the same period.
- The portfolio underperformed its strategic asset allocation by 2.1% over the last 12 months, net of all investment related fees.

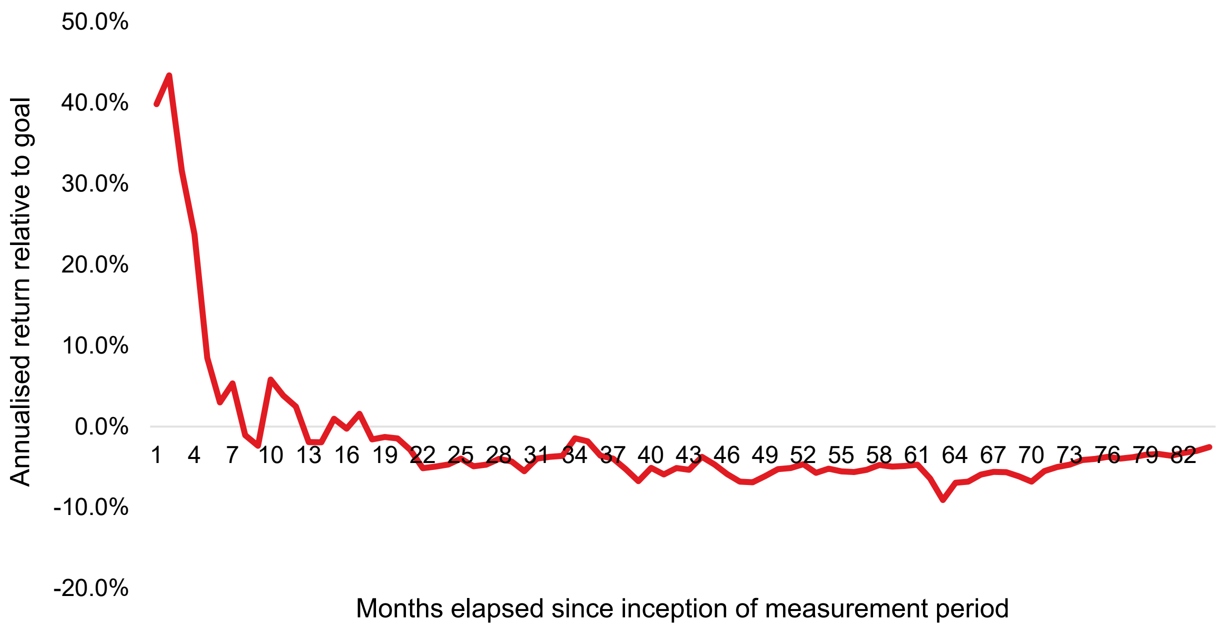
Figure 7.2: Rolling 7-year returns ann.: 10 years to 31 December 2021 *



	MIC Unconstrained	(ASISA) Wwide MA Flexible
Number of observations	37	
Period outperforming	11	5
Realised probability of outperforming	**30%**	14%
Max outperformance p.a.	**1.5%**	0.5%
Max underperformance p.a.	**-4.6%**	-3.2%

- Over the last 10 years, the portfolio outperformed its benchmark on 30% of the total rolling 7-year periods. This compares favourably with the peer group, which only managed to outperform on 14% of the rolling 7-year periods.

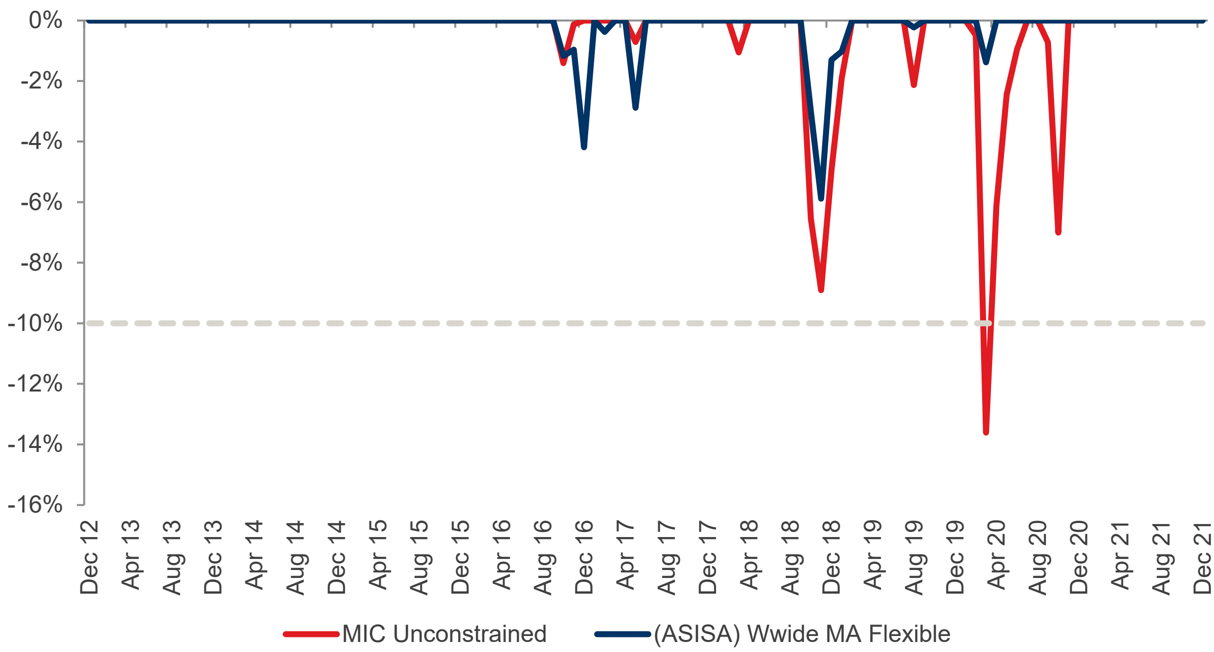
Figure 7.3: Portfolio performance relative to goal*



- Over the measurement period up to 31 December 2021 the portfolio's annualised returns relative to its goal were mostly below its target due to weak returns from the growth asset classes. After the COVID-19 crisis, the portfolio has shown a strong recovery relative to its benchmark.

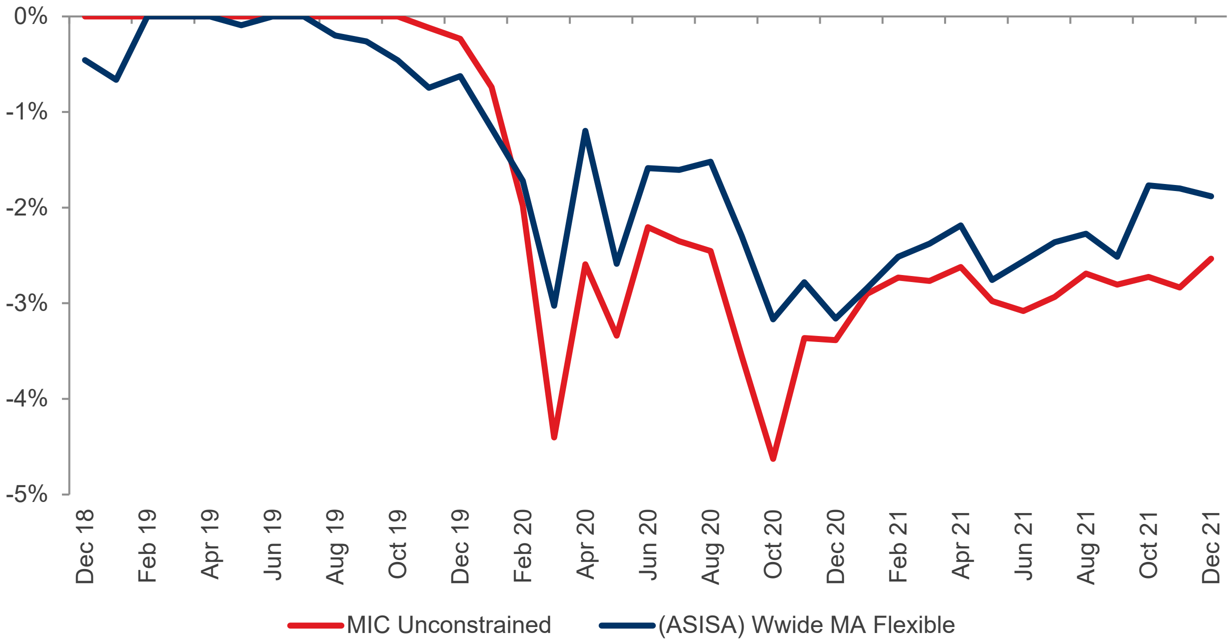
3.7.2. Risk

Figure 7.4: Rolling 1-year absolute drawdown: 10 years to 31 December 2021*



- The portfolio breached the acceptable drawdown level of 10% once. This was before the implementation of explicit drawdown limits. However, given the severity of drawdowns in markets during the COVID-19 crisis, it is likely that these limits would have, in any event, been breached.

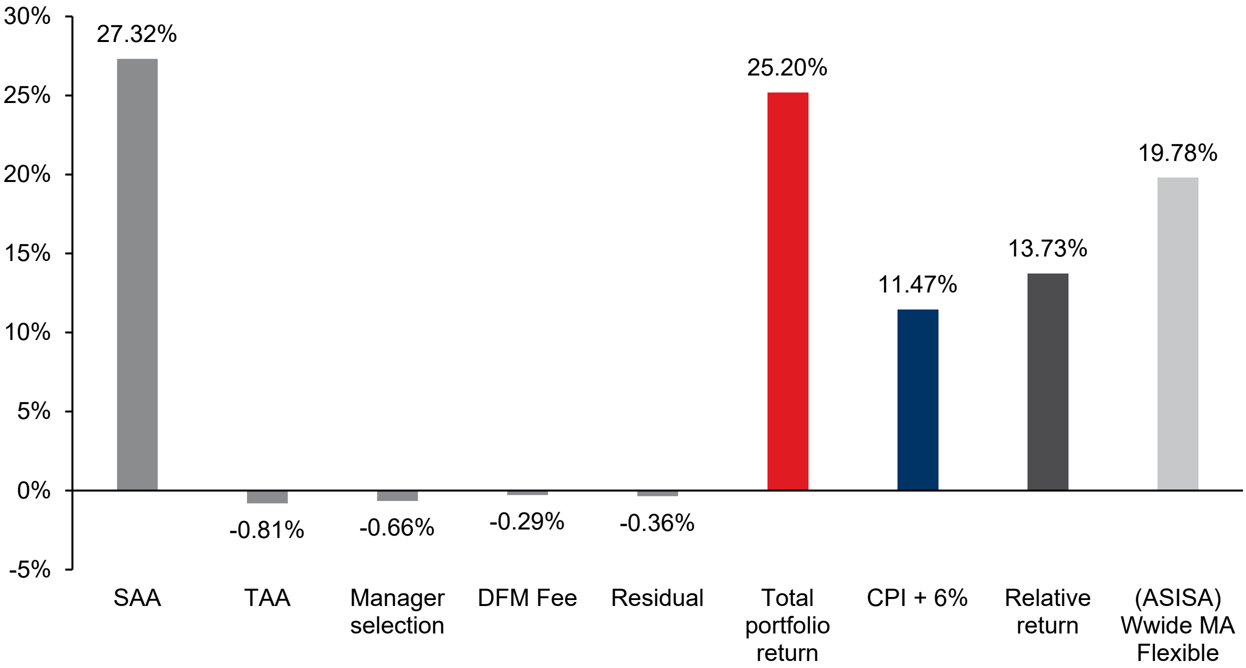
Figure 7.5: Rolling 7-year drawdown ann. relative to goal: 10 years to 31 December 2021*



- The portfolio's underperformance relative to the benchmark has been greater than the peer group post the COVID-19 crisis. This is primarily due to the peer group's higher average global allocation. It is important to note however that, while this is the appropriate peer group based on the portfolio's asset allocation, the profile of returns is not particularly relevant.

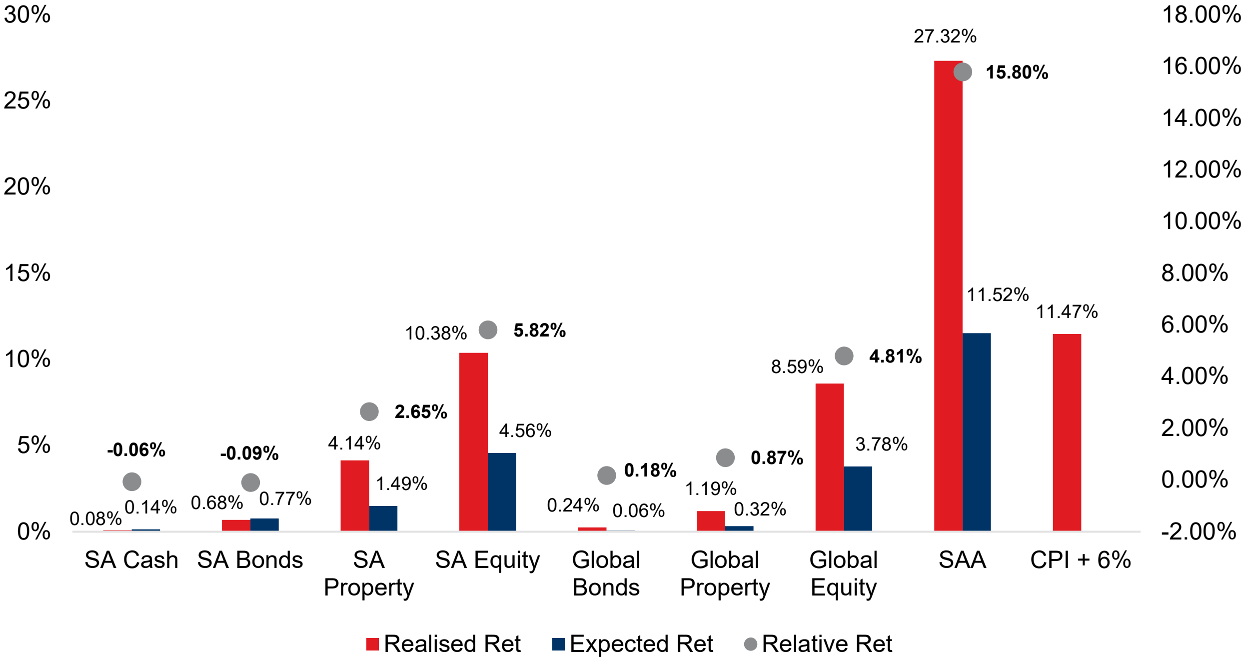
3.7.3. Performance attribution

Figure 7.6: Total return attribution: 12 months to 31 December 2021



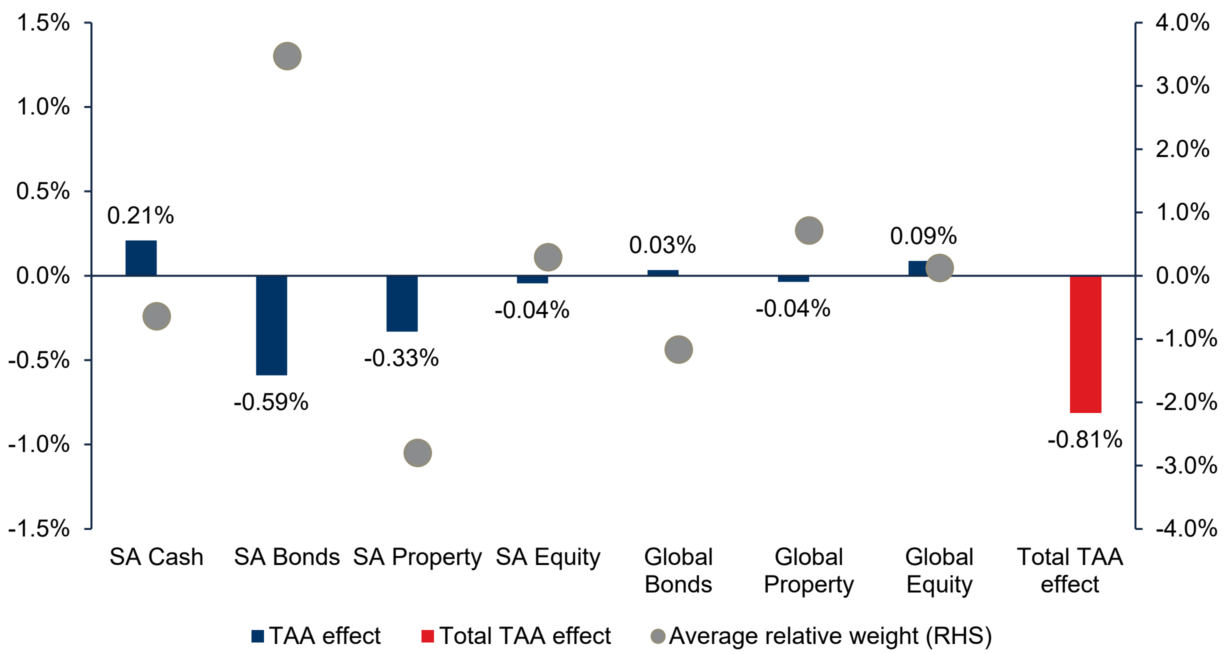
- SAA contributed to performance while tactical asset allocation and manager selection detracted from performance over the 12 months ending 31 December 2021.

Figure 7.7: Strategic asset allocation effects: 12 months to 31 December 2021



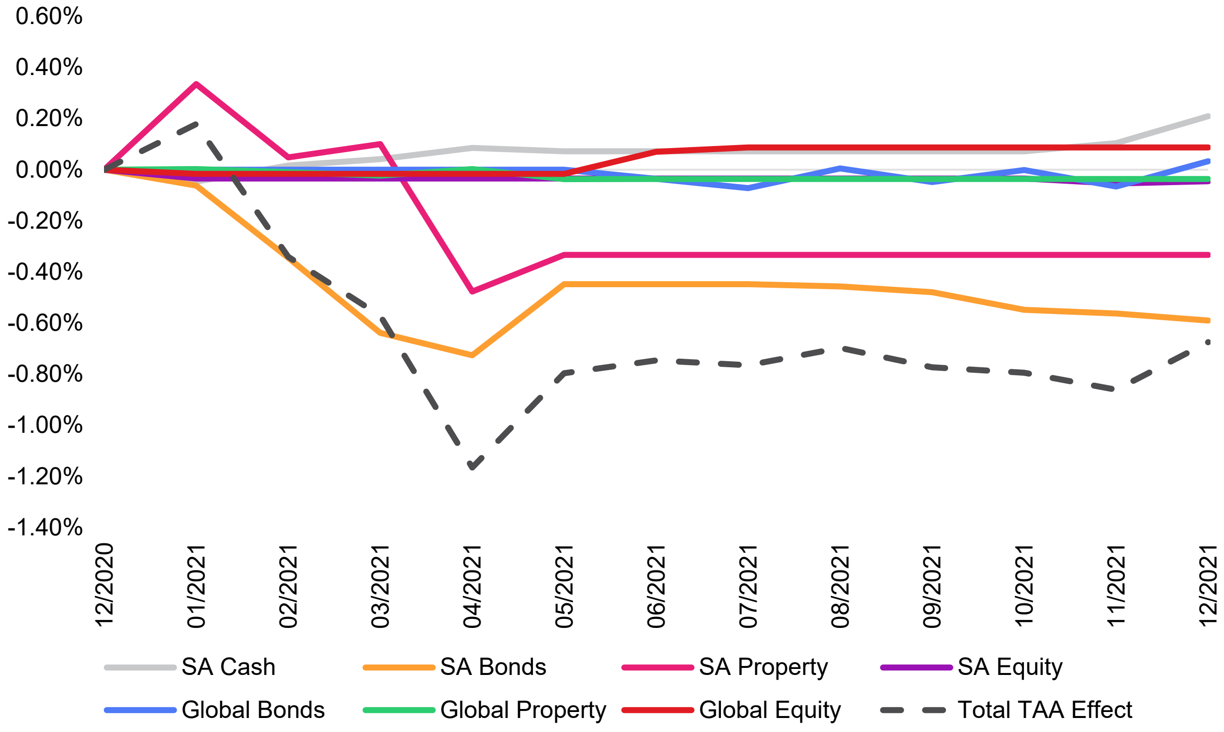
- Given the large absolute returns in asset classes over the last 12 months as the global economy reopened, most asset classes outperformed our long-term assumptions, resulting in the SAA returns being well ahead of expectations and the CPI + 6% benchmark.

Figure 7.8: Tactical asset allocation effects: 12 months to 31 December 2021



- Our underweight position in SA Property and overweight position in SA Bonds were the largest detractors over the period from a tactical asset allocation perspective.

Figure 7.9: Cumulative tactical asset allocation effects: 12 months to 31 December 2021



- Given the strong performance of growth assets throughout the year, the overweight position in SA Bonds detracted from performance, despite the decent real returns delivered by SA Bonds. This was exacerbated by the underweight position in local property, due to the strong performance in the asset class from November 2020 to April 2021 driven by the roll-out of vaccination programmes and the expected normalisation in the global economy.

Figure 7.10: Manager selection effects: 12 months to 31 December 2021

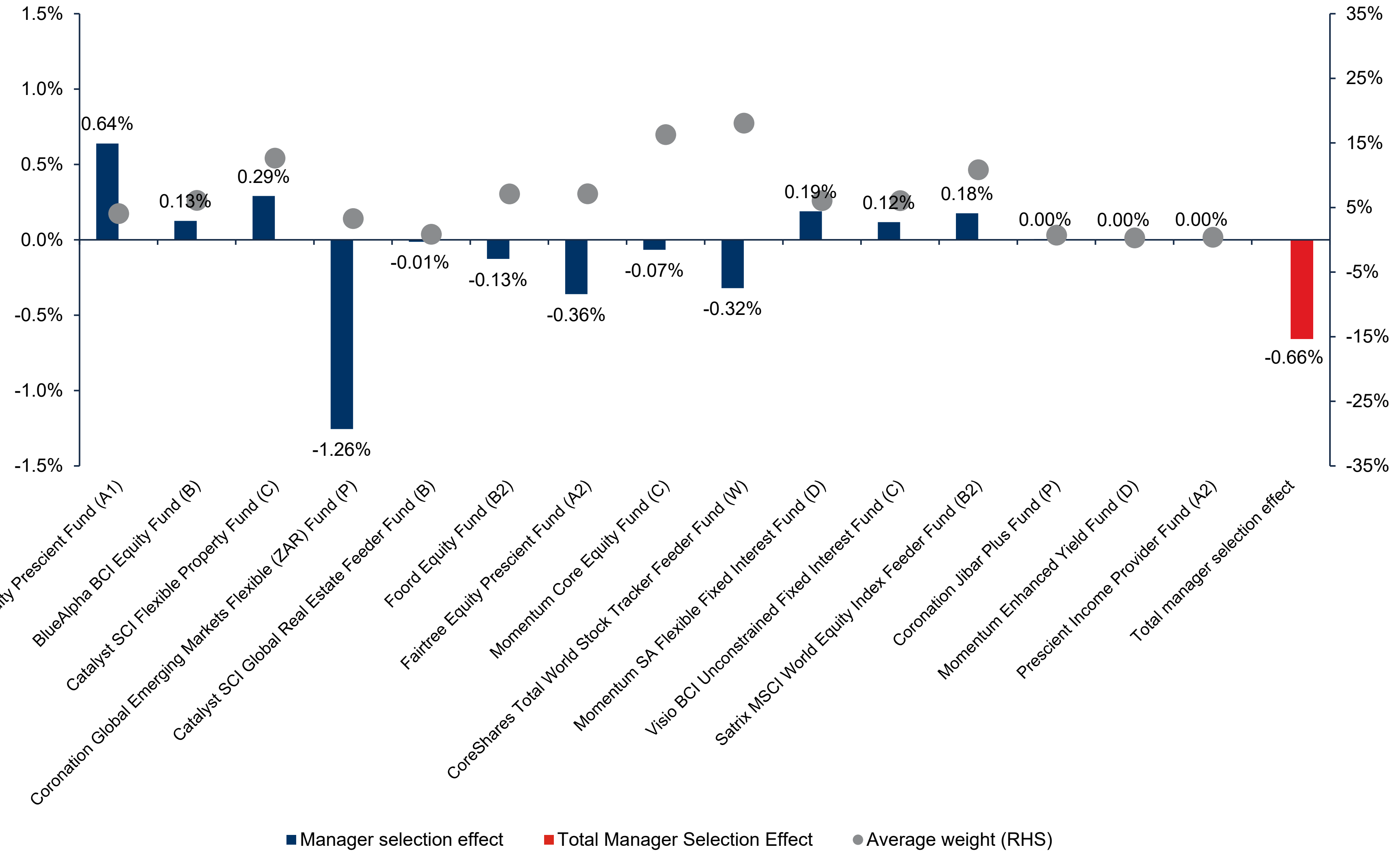
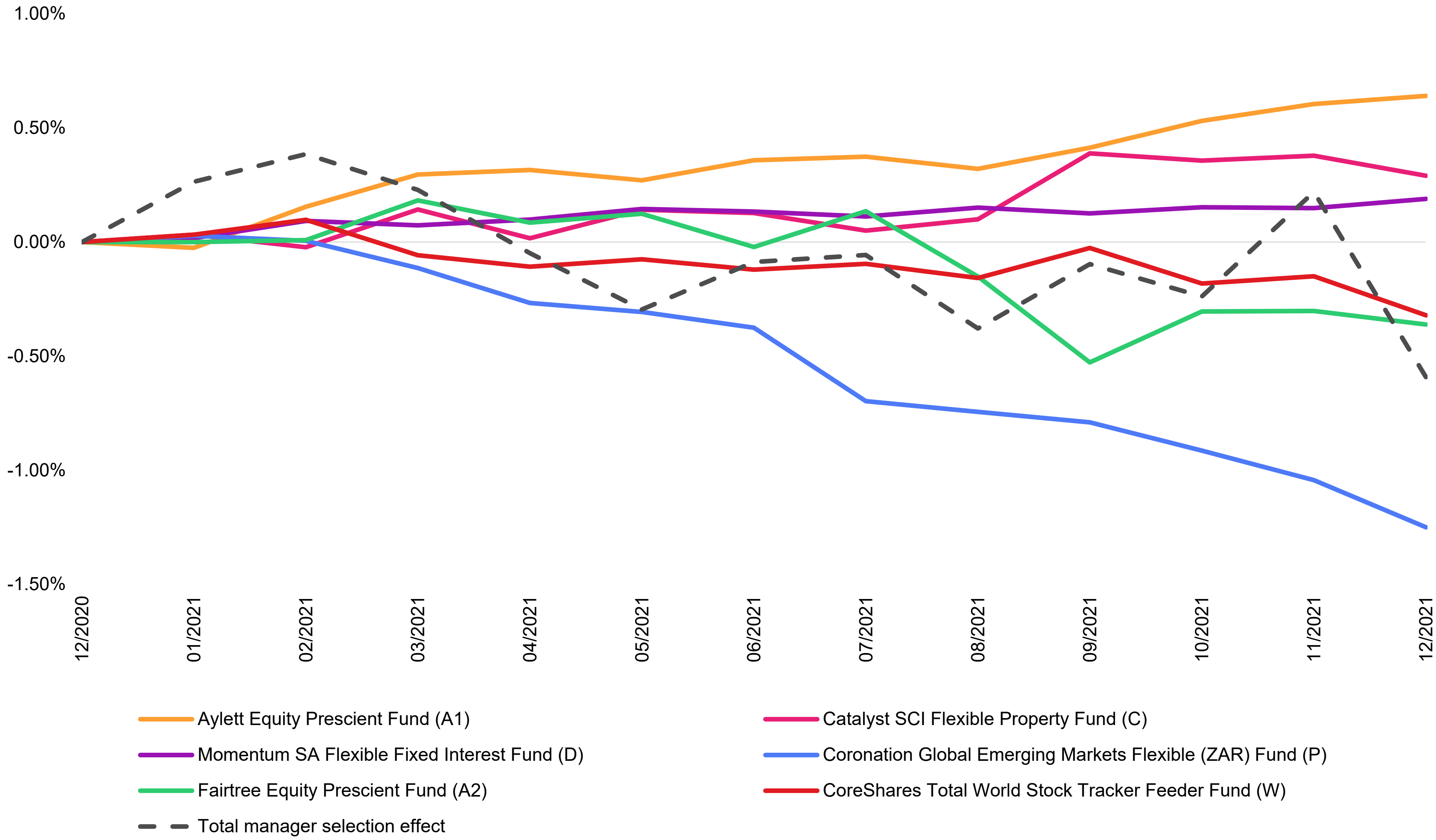


Figure 7.11: Cumulative manager selection effects: 12 months to 31 December 2021



4. Risk and return expectations

4.1. Value at Risk and realistic expected real returns

Portfolio	Value at Risk over 12m with 95% likelihood	Expected real return over investment horizon with 70% likelihood
MIC Conservative	-0.60%	1.31%
MIC Stable	-3.90%	1.74%
MIC Moderate	-6.10%	2.60%
MIC Balanced	-7.88%	3.13%
MIC Growth	-10.05%	4.15%
MIC Unconstrained Growth	-10.12%	4.09%

4.2. Forward-looking probabilities of achieving stated benchmarks

Portfolio	Current
MIC Conservative	63.48%
MIC Stable	64.05%
MIC Moderate	62.72%
MIC Growth	58.89%
MIC Balanced	52.25%
MIC Unconstrained Growth	52.08%

5. Current positioning & portfolio changes

5.1. Asset class house views

Asset Class	Q3 - 2021	Q4 - 2021
Local		
SA Bonds	Neutral to Overweight	Neutral to Overweight
SA Property	Underweight to Neutral	Underweight to Neutral
SA Equity	Neutral to Overweight	Neutral to Overweight
Offshore		
Developed Market Government Bonds	Underweight to Neutral	Underweight to Neutral
Global Equity	Neutral	Neutral
Global Property	Neutral	Neutral

5.2. Change in local property benchmark

We are currently using the SA Listed Property Index (SAPY) as a proxy benchmark for local property. In our quest to always look to improve our portfolio management processes, as well as the measurement of our performances, we have identified inherit risks related to the SAPY.

The SAPY is an uncapped market capitalisation index. This means that each property share is represented in the index at their full market capitalisation, which is resulting in a highly concentrated index, with the top 5 property shares representing more than 50% of the index.

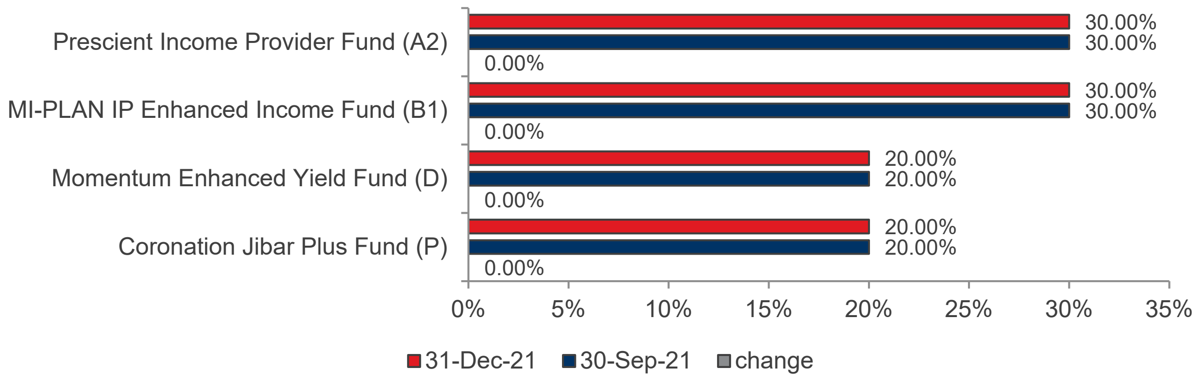
The JSE has launched the All Property Index (ALPI), which addresses this concern. The ALPI is a market capped index that limits the exposure to a single property share at 15%. This means that this index is a better diversified index than the SAPY.

In addition to the above, most of the managers that we are currently using have already been managing their property portfolios relative to the ALPI and not the SAPY. This has caused structural differences between the index the managers track and the index we use to appraise them.

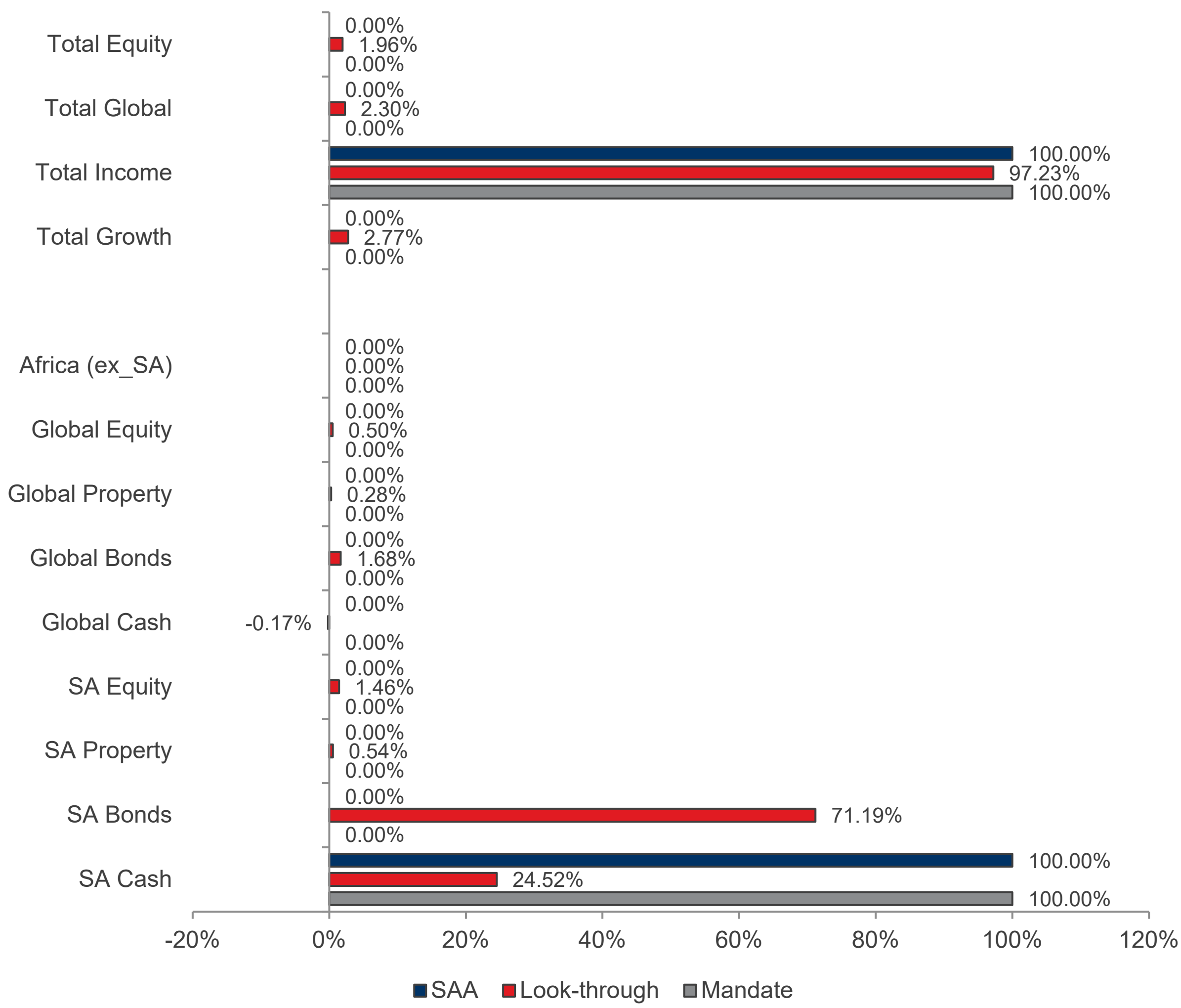
For these reasons, we will be moving from the SAPY to the ALPI with effect of 1 April 2022. This change has no impact on the management of the portfolios, their risk features or their expected returns. Rather, it impacts the way we appraise the local and/or flexible property managers as well as our own performance attributions.

5.3. MIC Income Portfolio

5.3.1. Building block allocation



5.3.2. Look-through asset allocation (as at 31 December 2021)

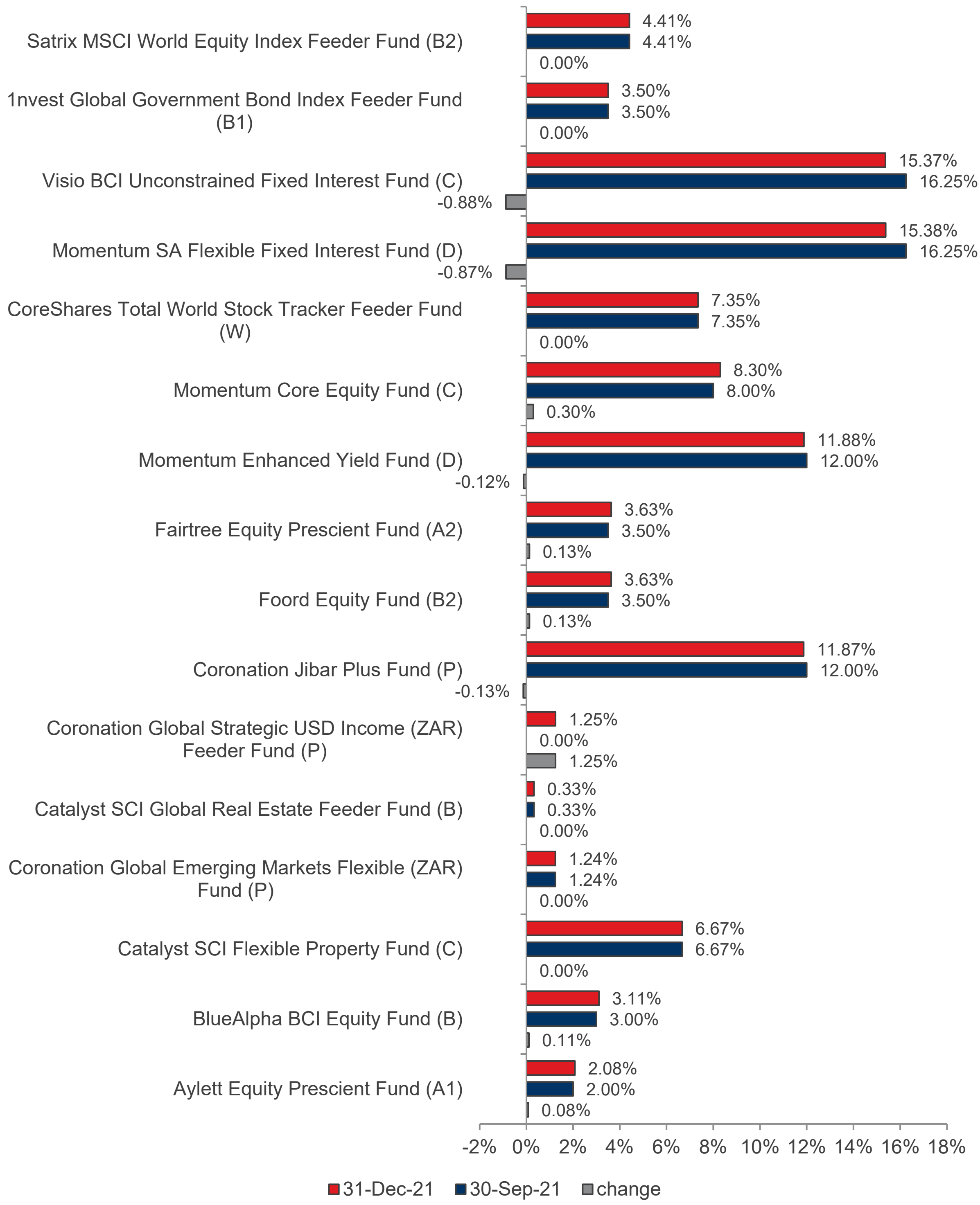


5.3.3. Portfolio changes

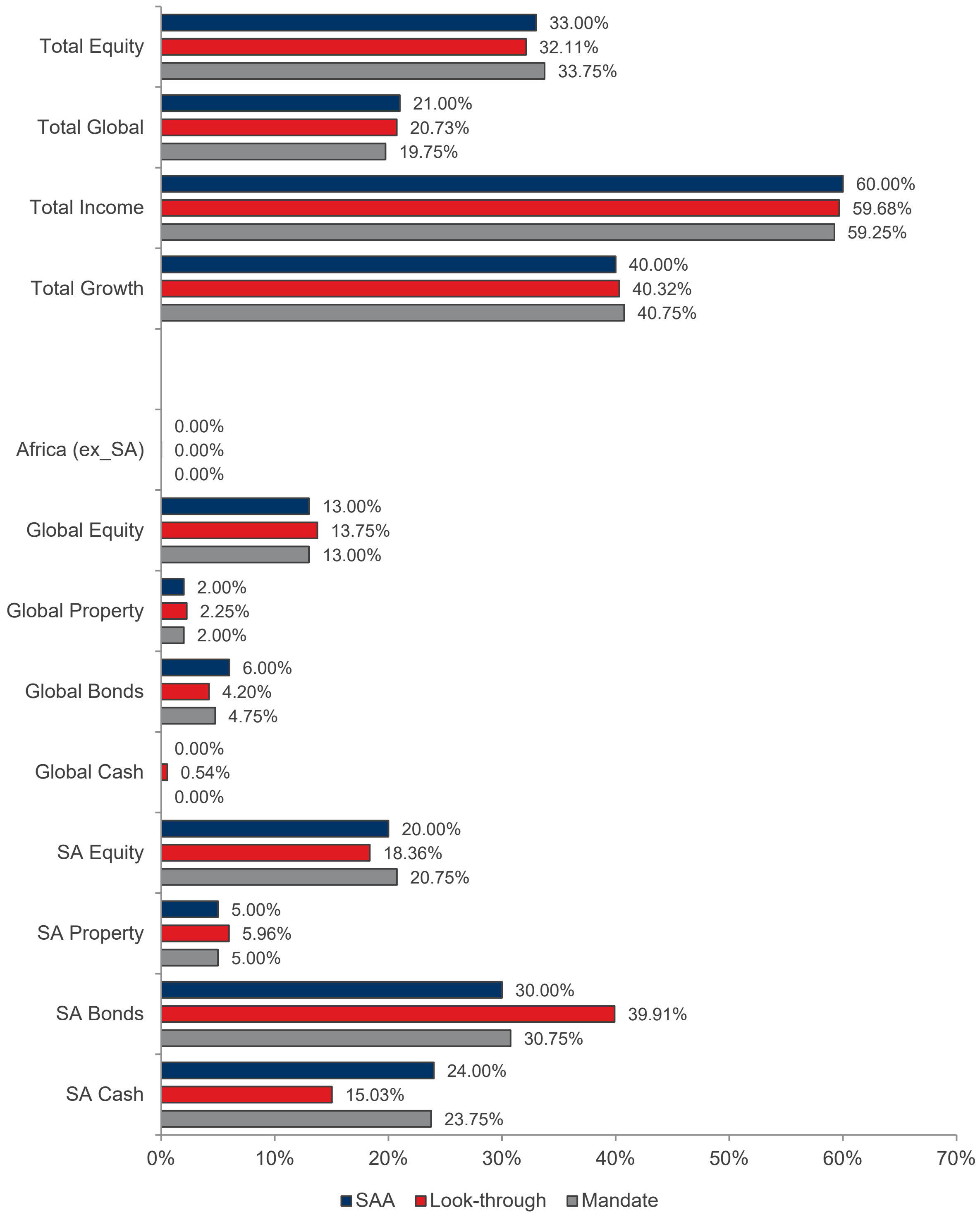
- No changes. Rebalanced the portfolio back to ideal allocations.

5.4. MIC Conservative Portfolio

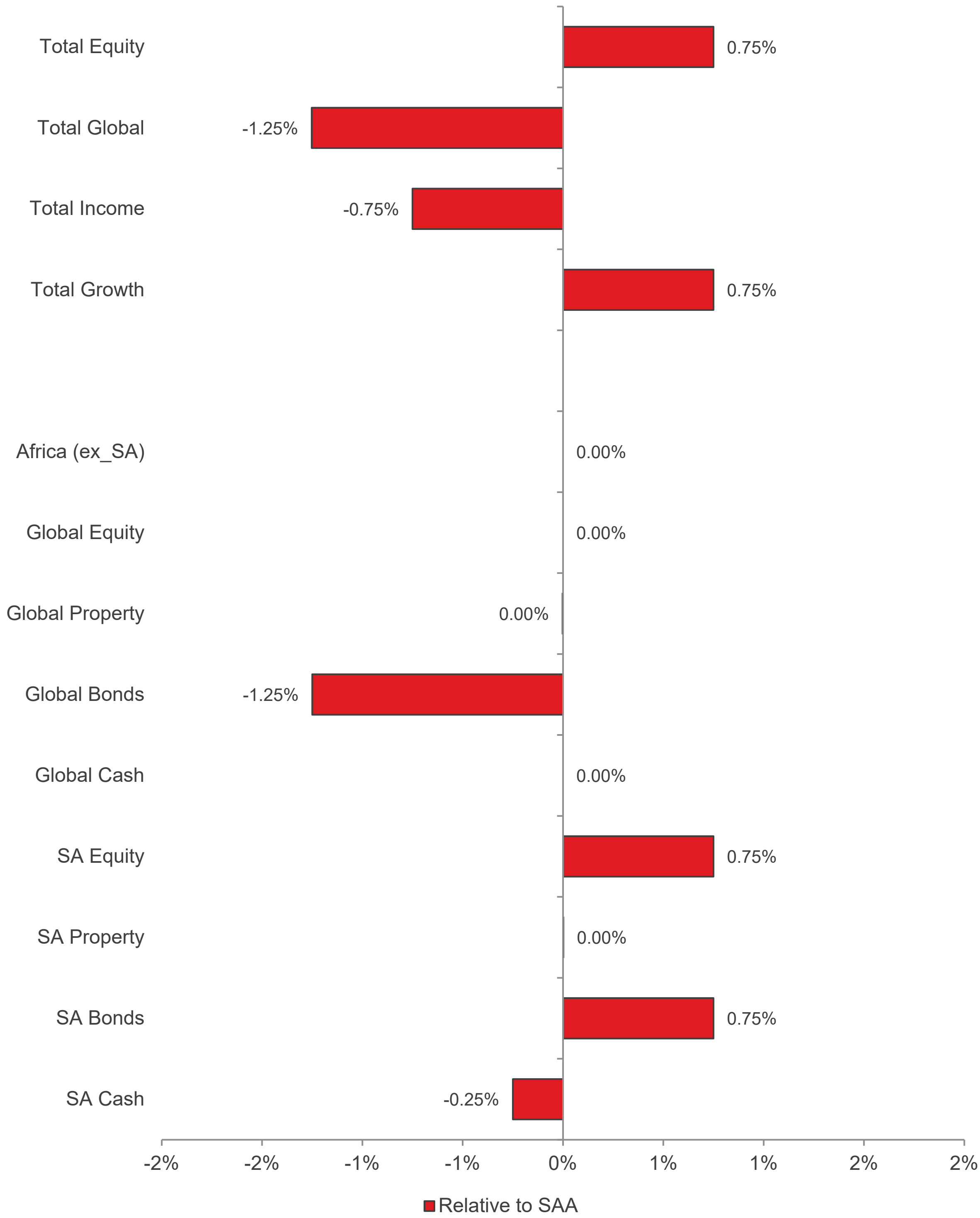
5.4.1. Building block allocation



5.4.2. Asset allocation as at 31 December 2021



5.4.3. Asset allocation: Relative to SAA

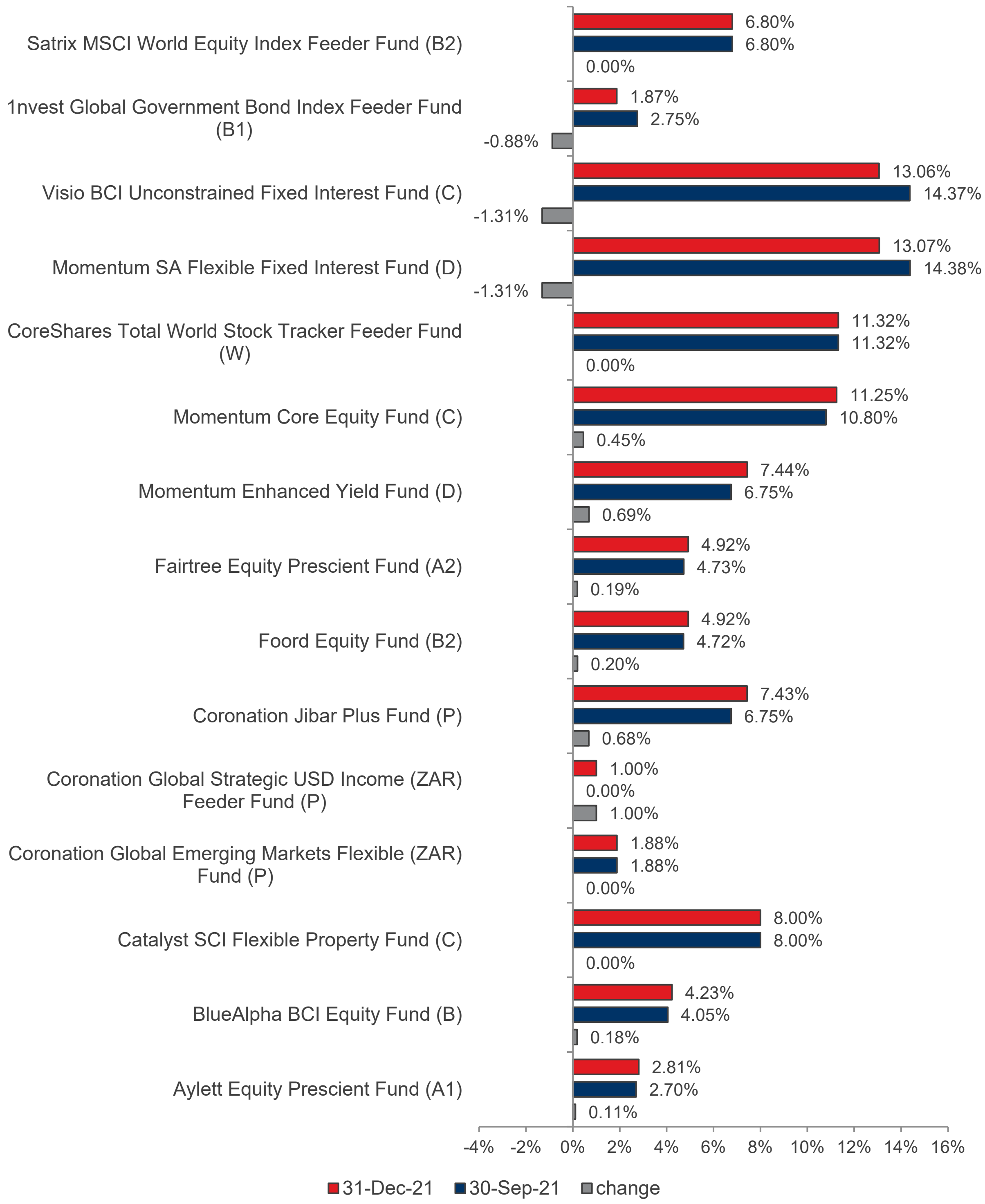


5.4.4. Portfolio changes

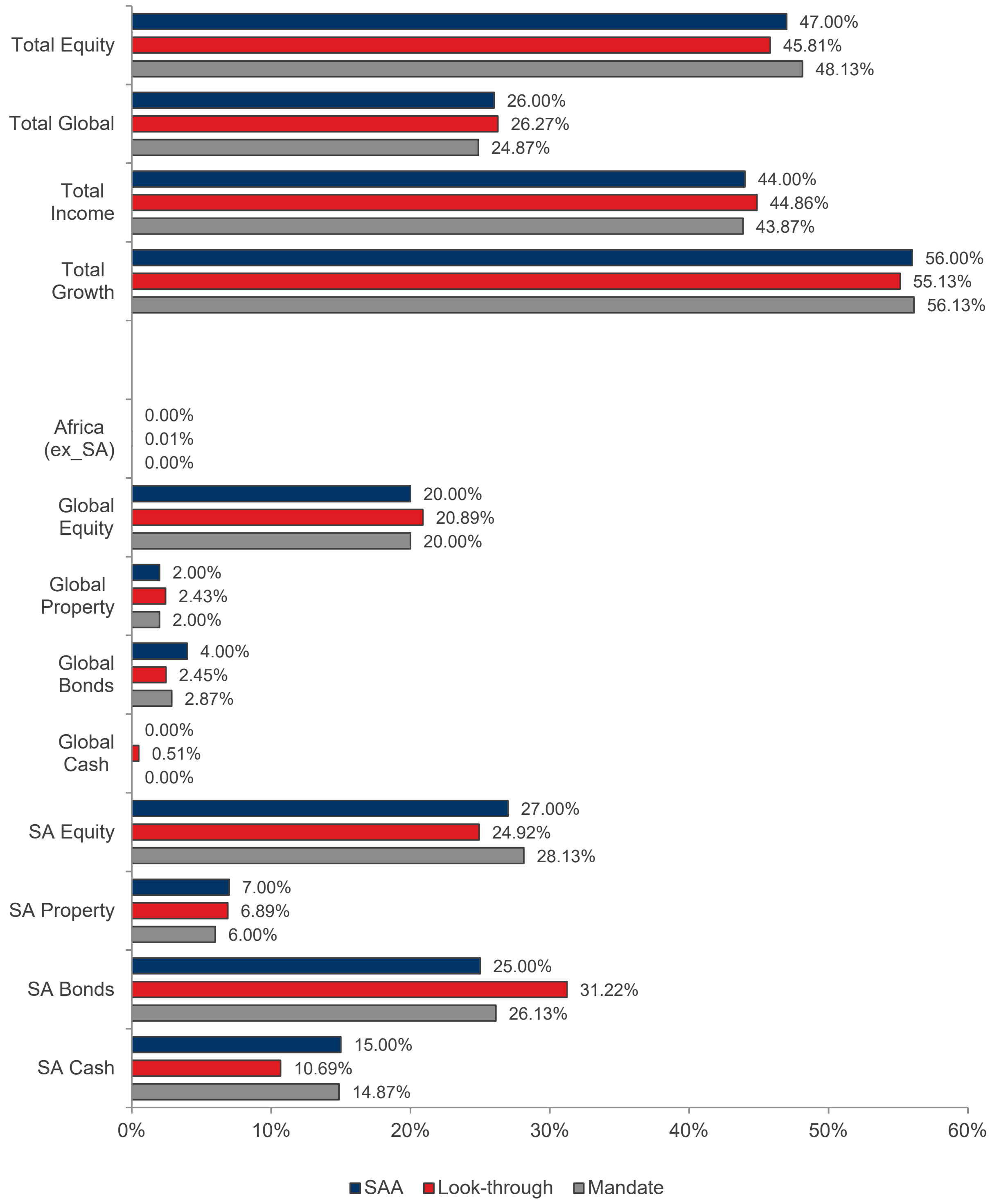
- No changes were made. The portfolio was rebalanced back to ideal allocations.

5.5. MIC Stable Portfolio

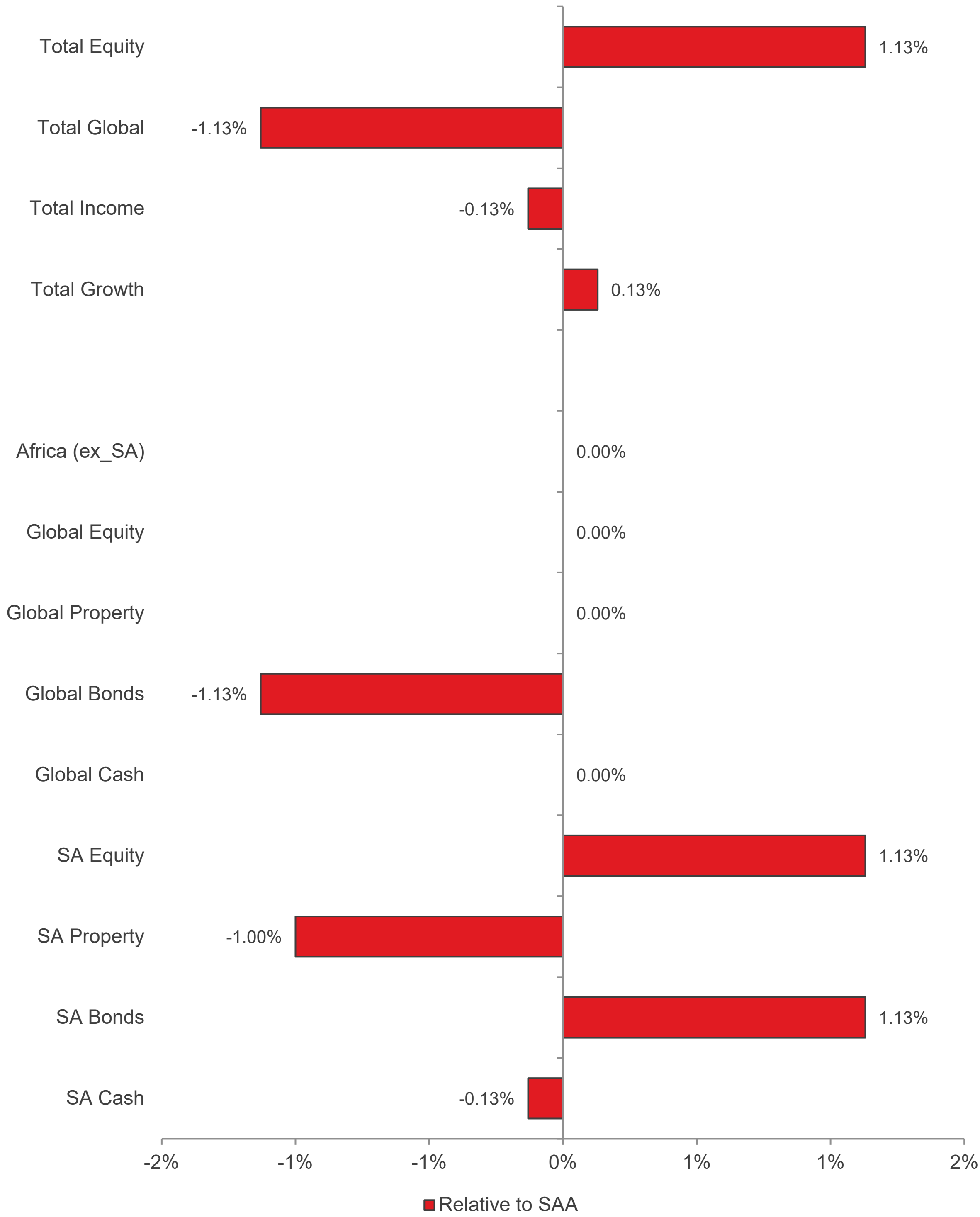
5.5.1. Building block allocation



5.5.2. Asset allocation as at 31 December 2021



5.5.3. Asset allocation: Relative to SAA

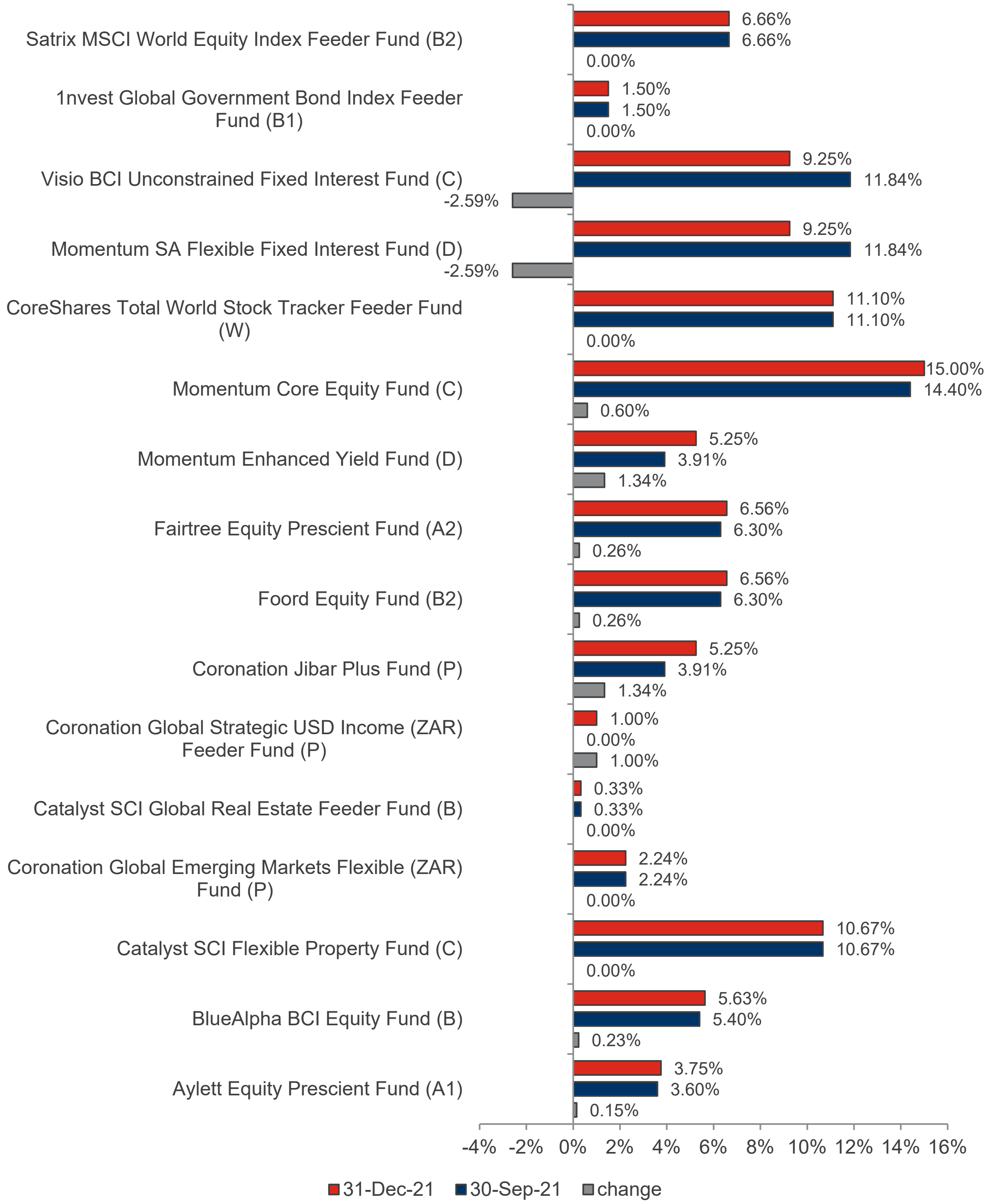


5.5.4. Portfolio changes

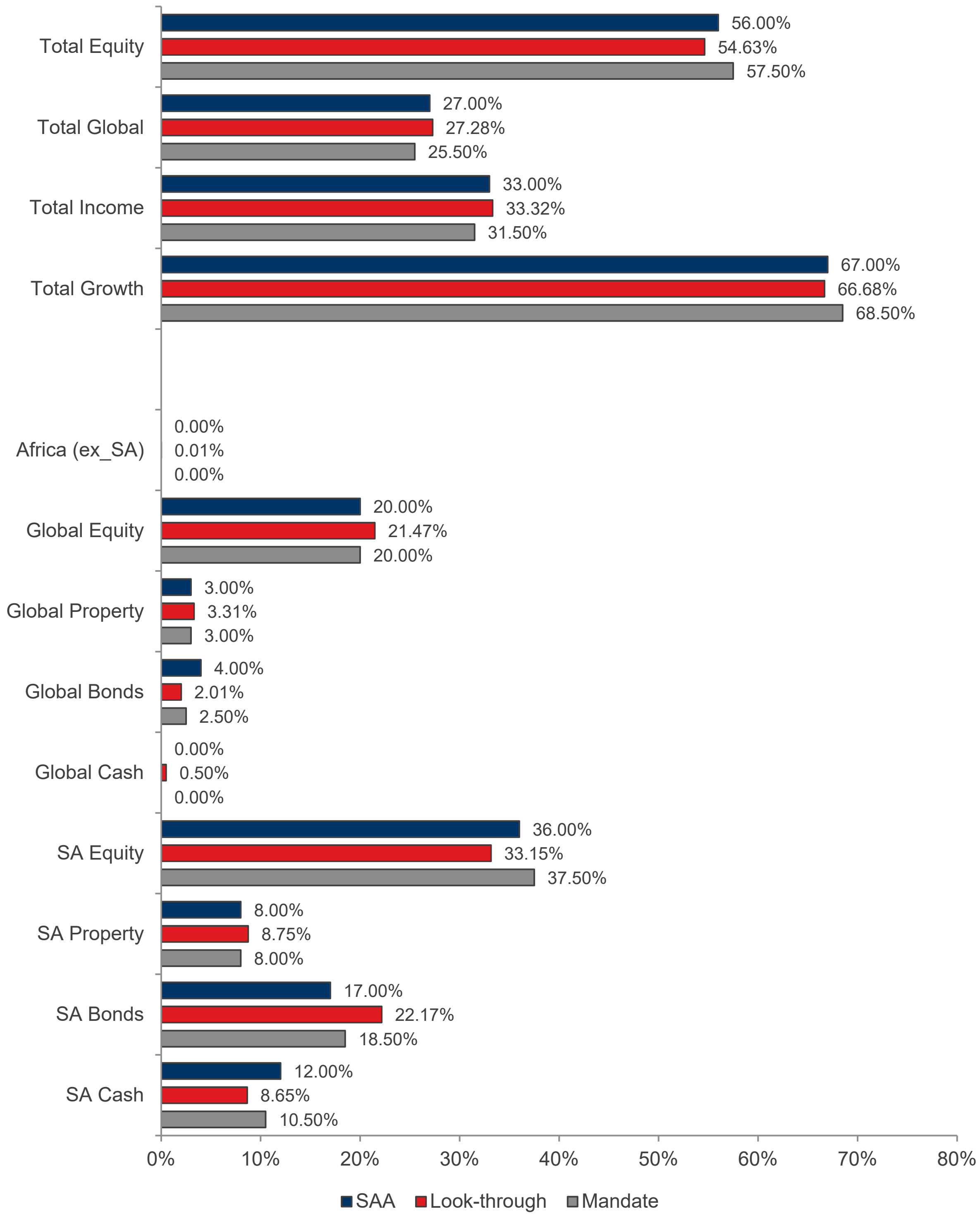
- No changes were made. The portfolio was rebalanced back to ideal allocations.

5.6. MIC Moderate Portfolio

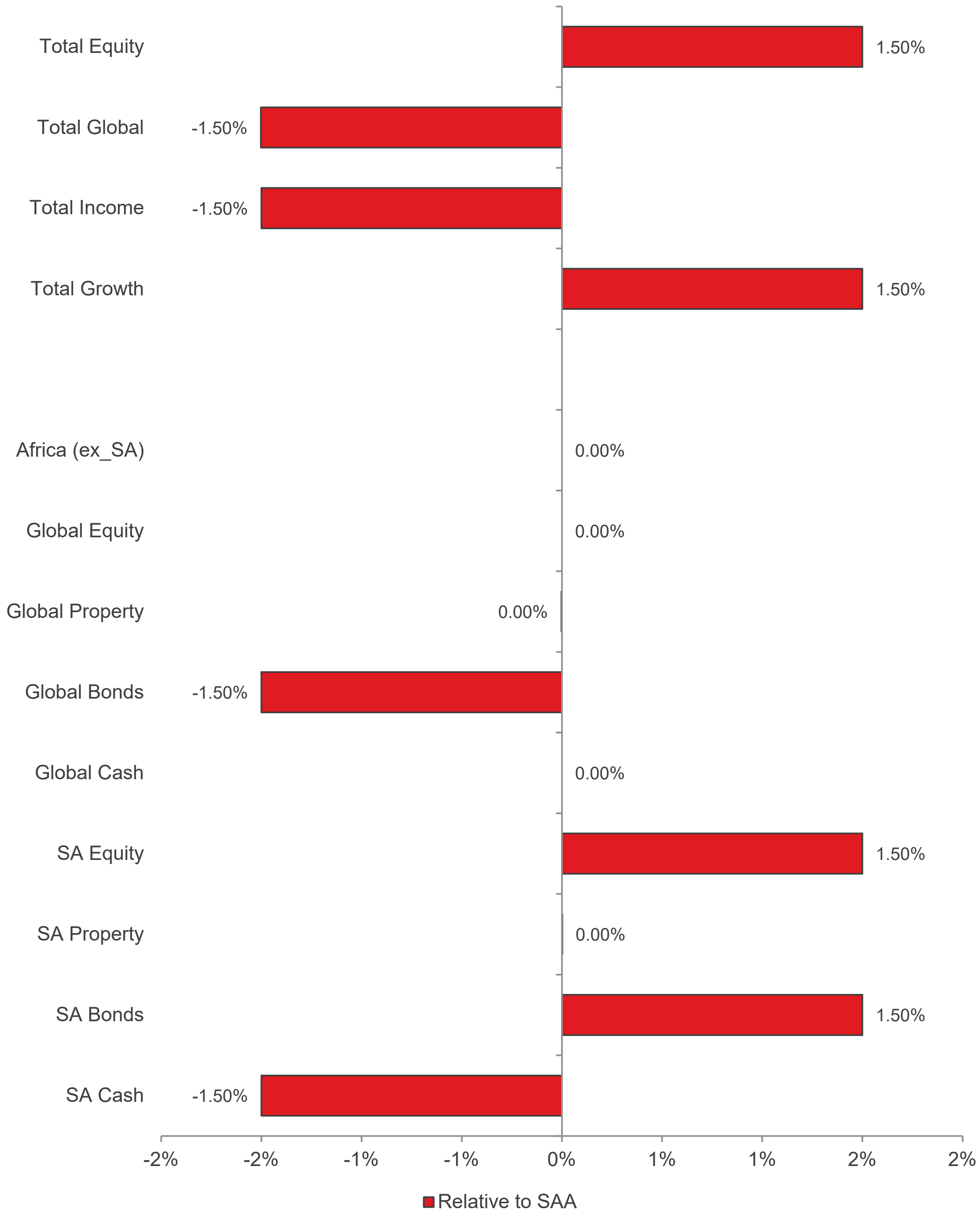
5.6.1. Building block allocation



5.6.2. Look-through asset allocation (as at 31 December 2021)



5.6.3. Look-through asset allocation: Relative to SAA

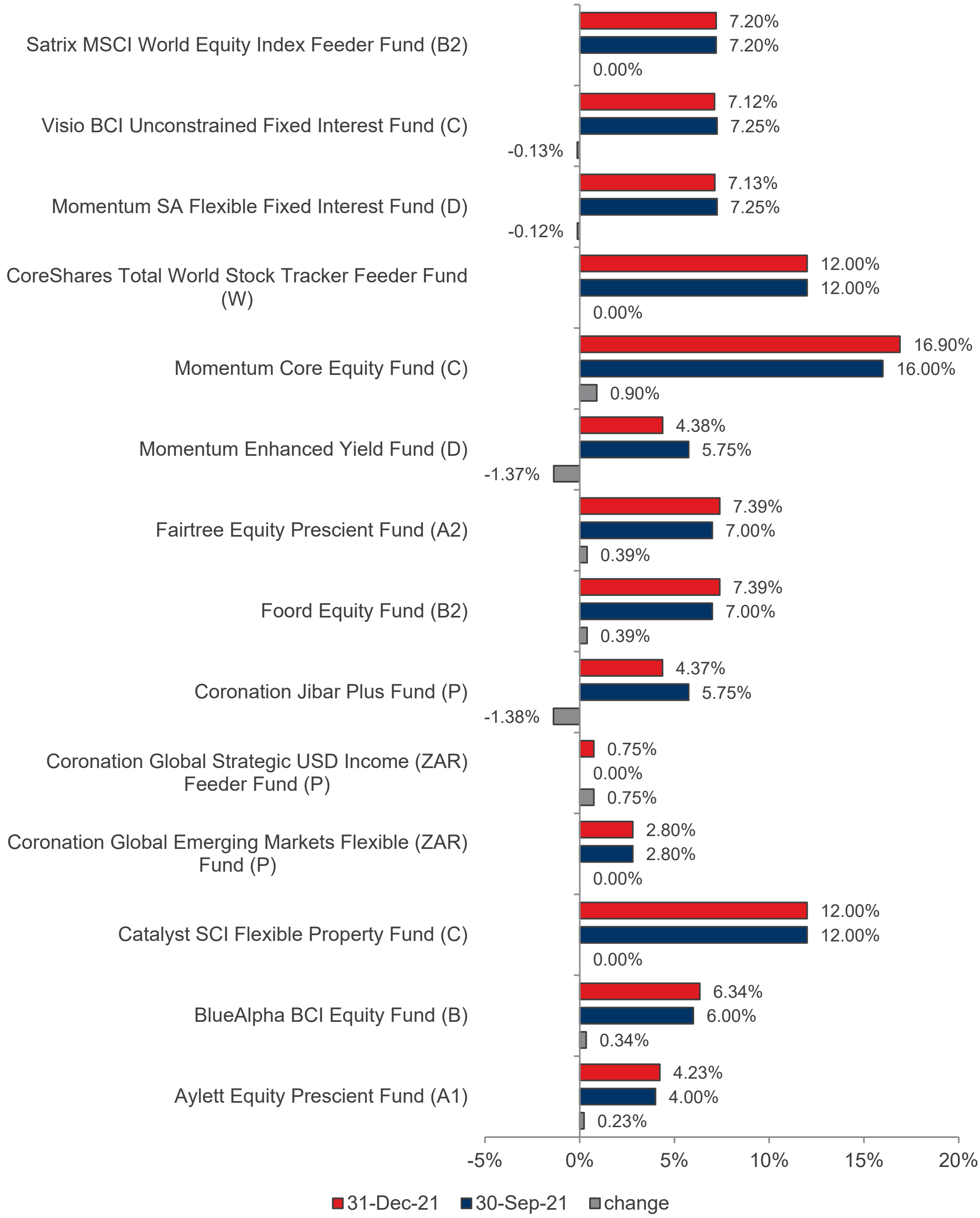


5.6.4. Portfolio changes

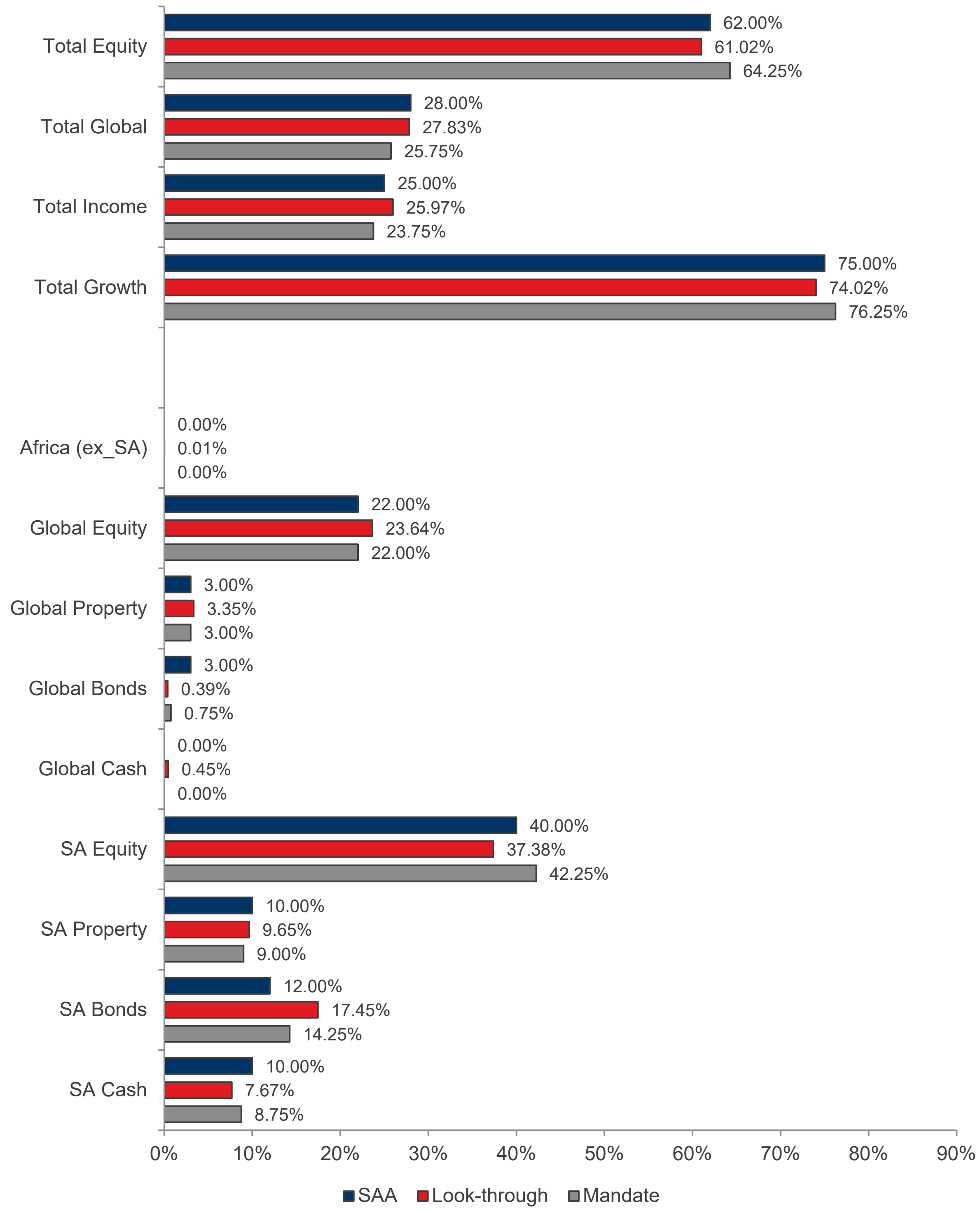
- No changes were made. The portfolio was rebalanced back to ideal allocations.

5.7. MIC Balanced Portfolio

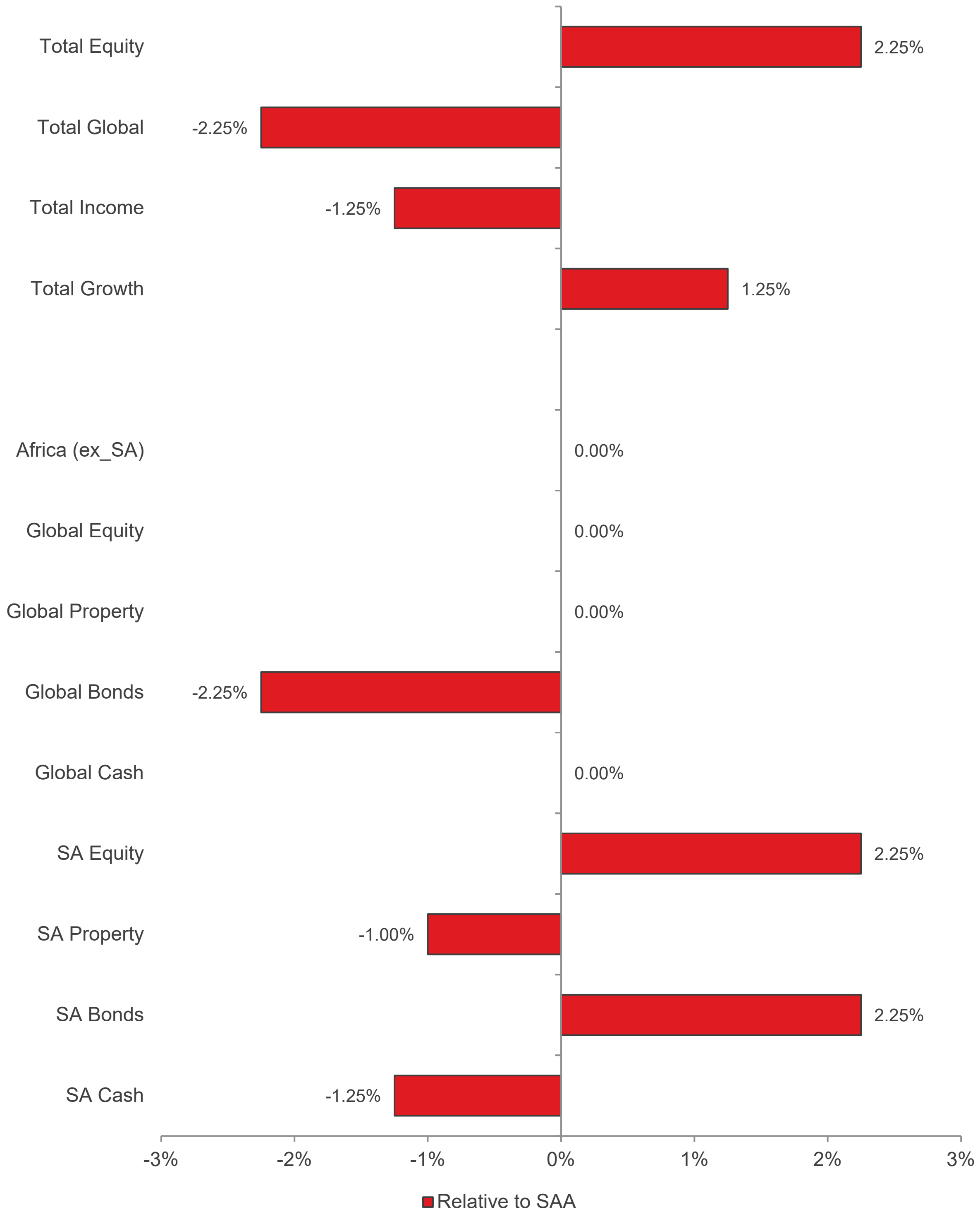
5.7.1. Building block allocation



5.7.2. Look-through asset allocation (as at 31 December 2021)



5.7.3. Look-through asset allocation: Relative to SAA

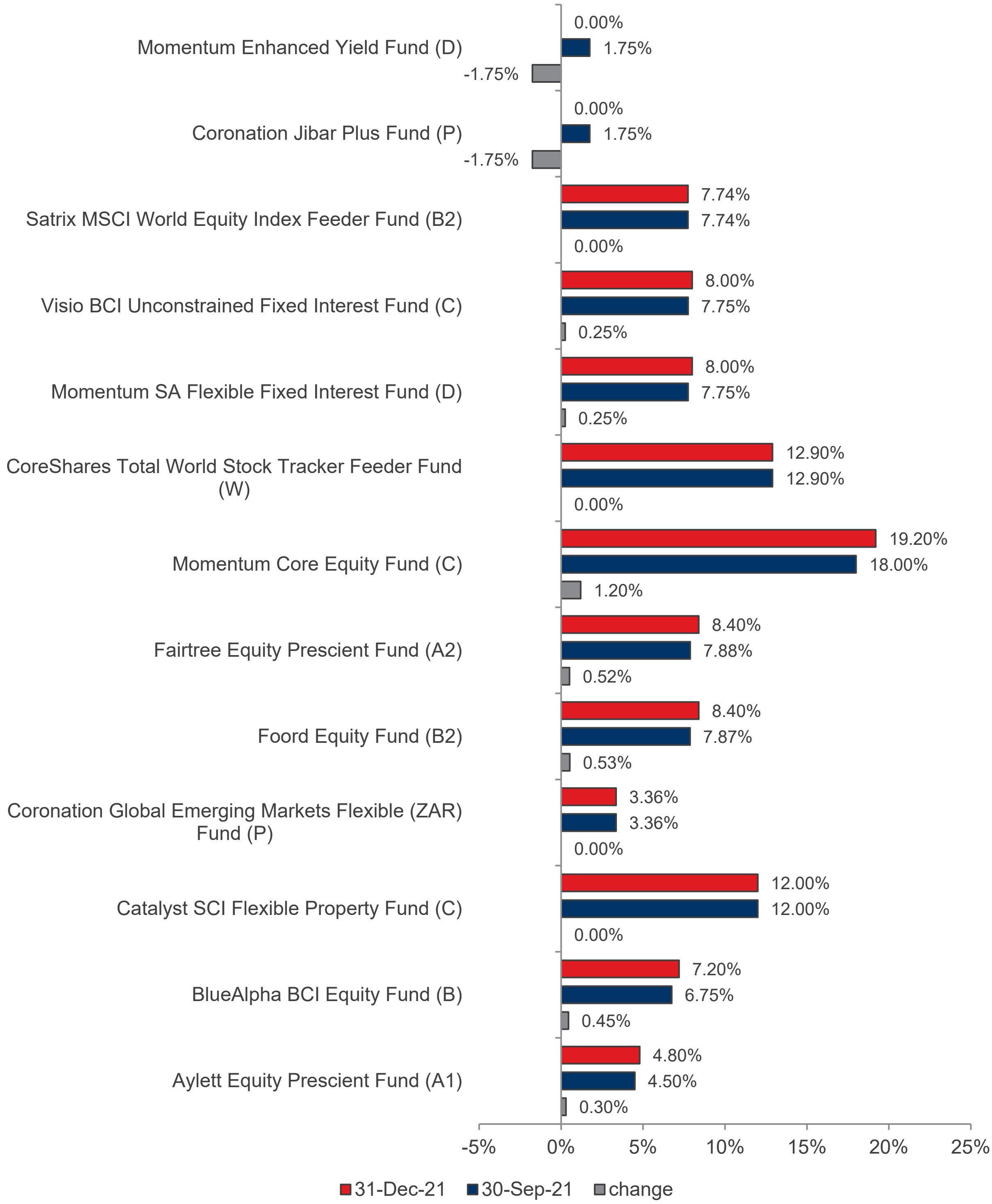


5.7.4. Portfolio changes

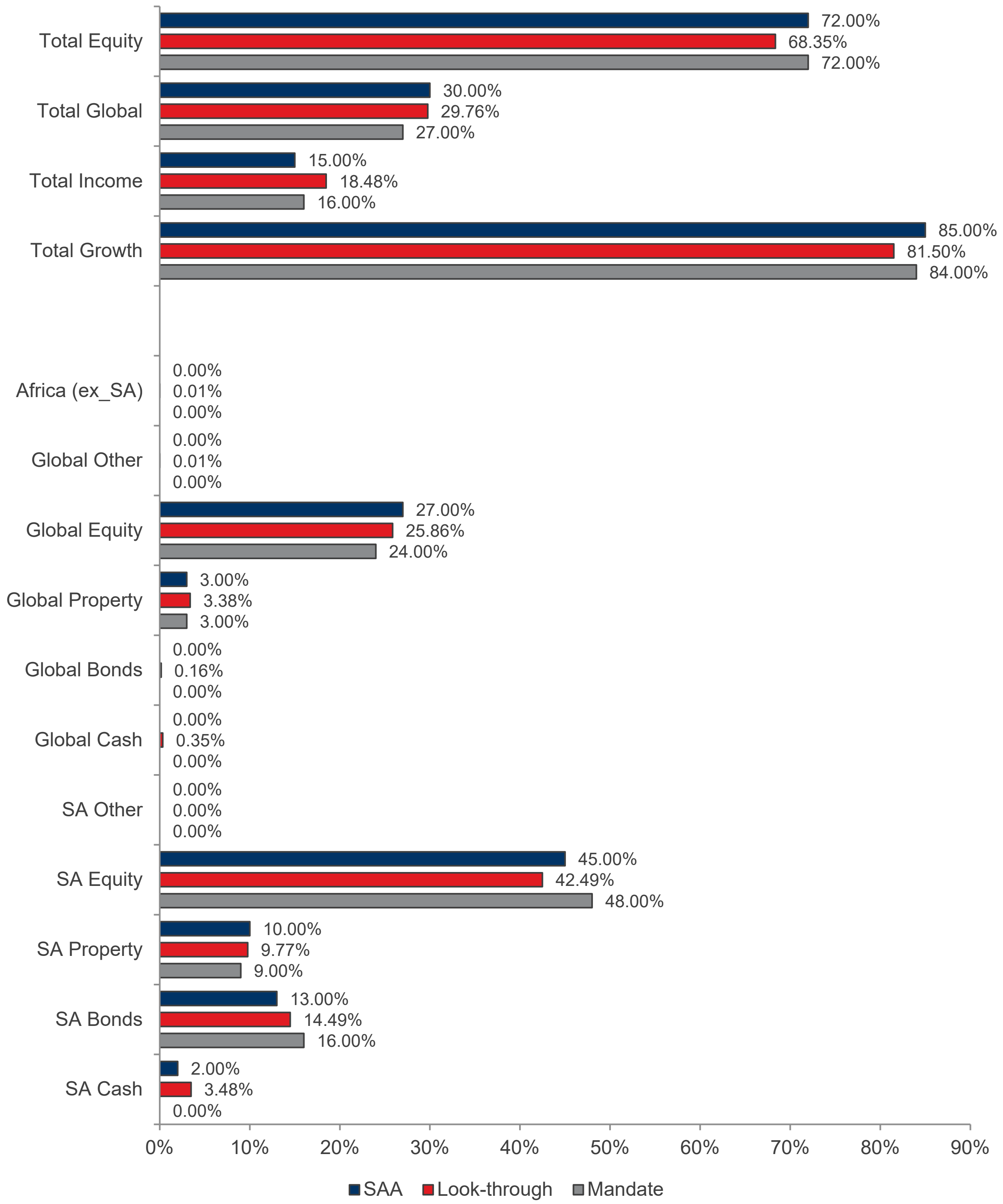
- No changes were made. The portfolio was rebalanced back to ideal allocations.

5.8. MIC Growth Portfolio

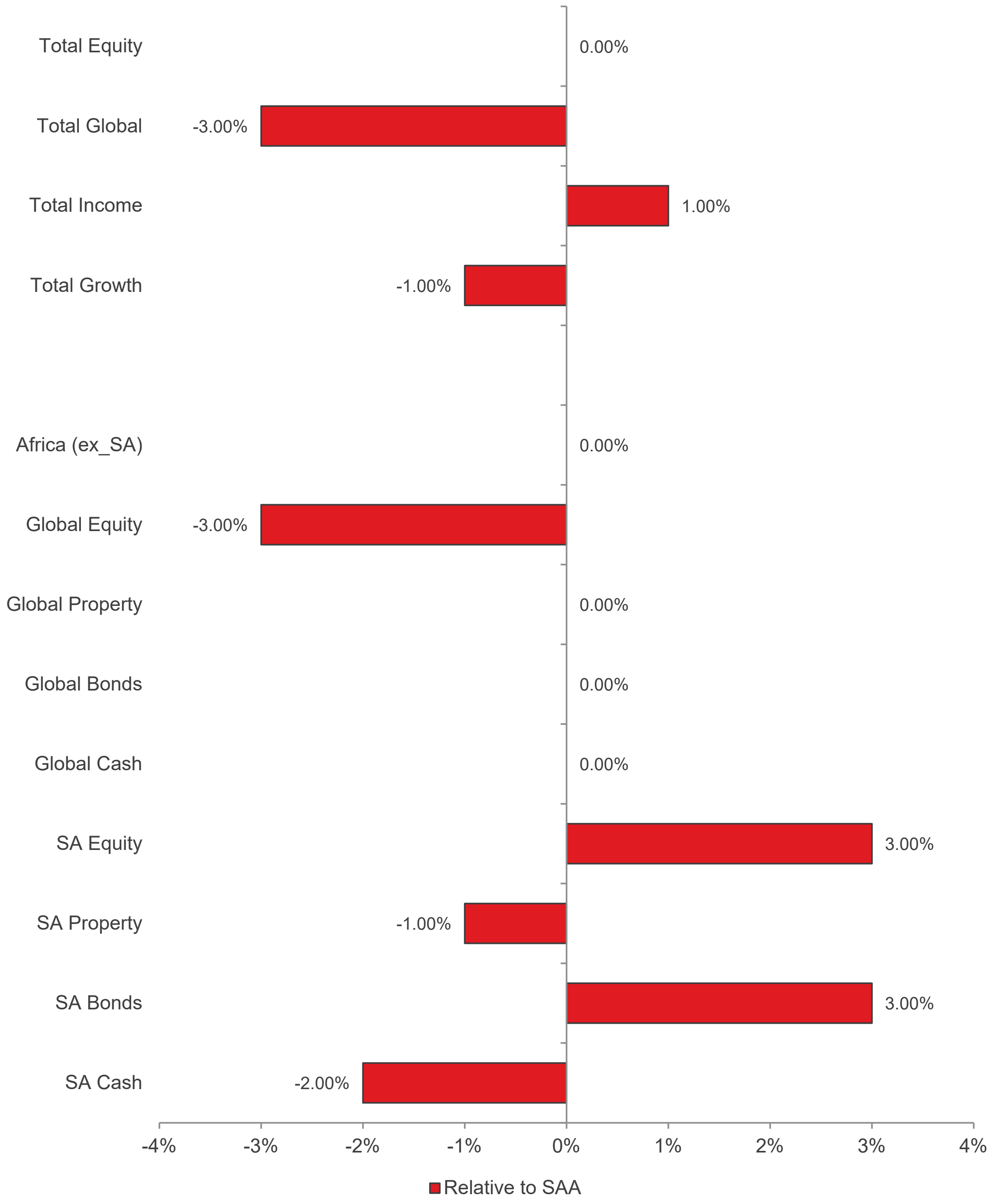
5.8.1. Building block allocation



5.8.2. Asset allocation (as at 31 December 2021)



5.8.3. Asset allocation: Relative to SAA



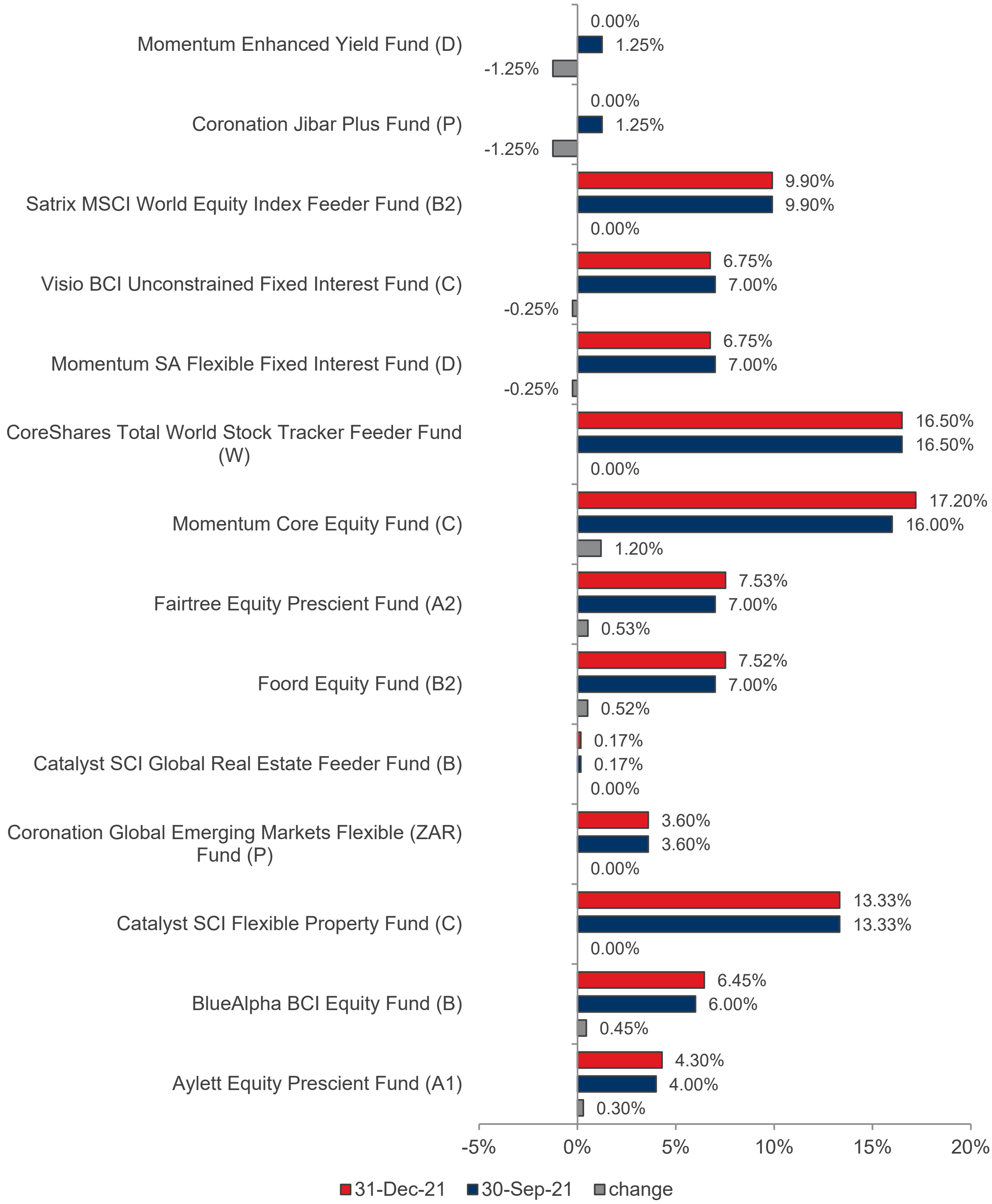
5.8.4. Portfolio changes

Due to a small Reg. 28 breach on the Allan Gray platform, the below changes were made to reduce offshore exposure on all the platforms.

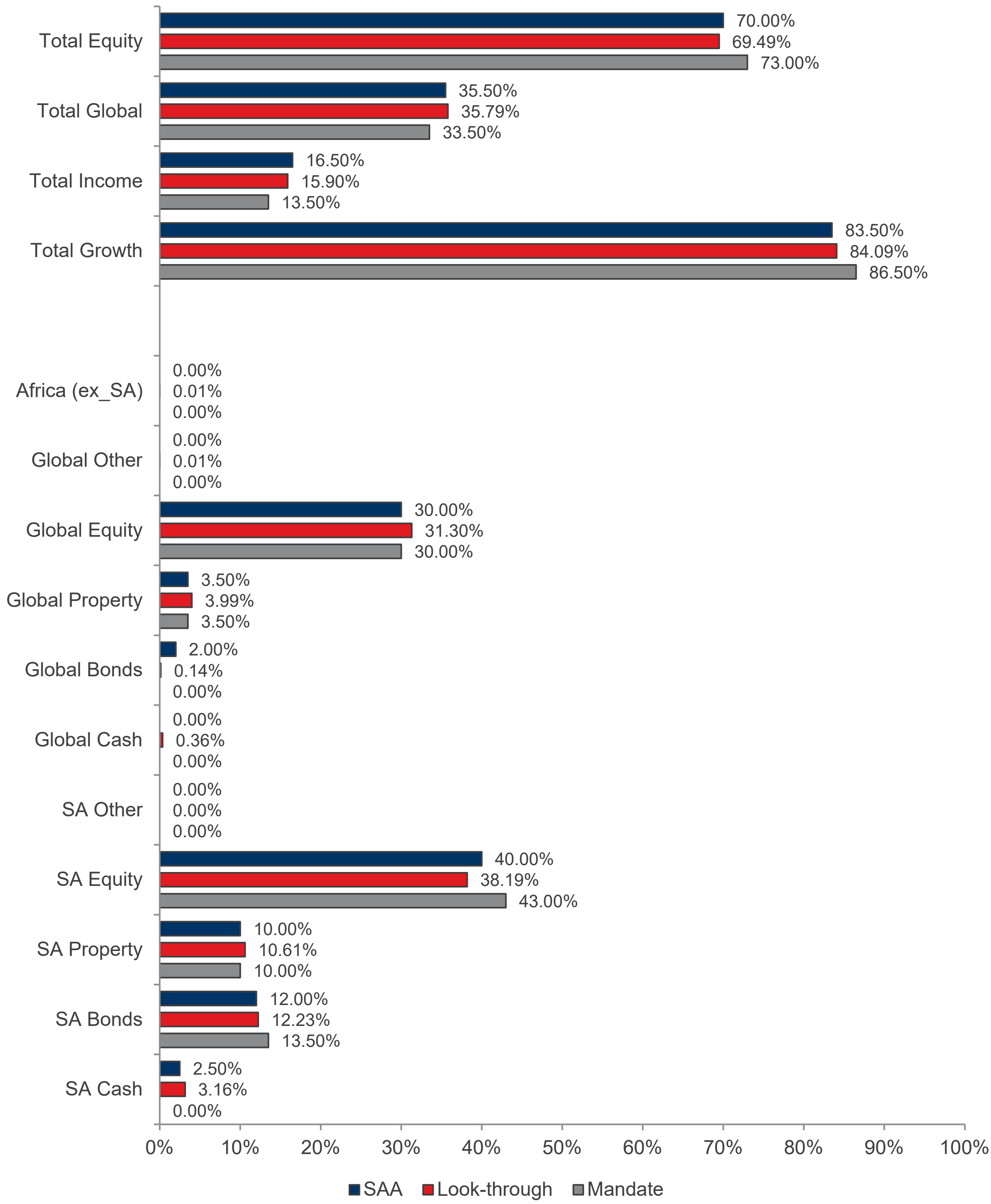
Fund	Current	New	Change
Aylett Equity Prescient Fund (A1)	4.80%	**4.80%**	0.00%
Satrix MSCI World Equity Index Feeder Fund (B2)	7.74%	**7.24%**	-0.50%
Coronation Global Emerging Markets Flexible (ZAR) Fund (P)	3.36%	**3.36%**	0.00%
CoreShares Total World Stock Tracker Feeder Fund (W)	12.90%	**12.90%**	0.00%
Fairtree Equity Prescient Fund (A2)	8.40%	**8.40%**	0.00%
Foord Equity Fund (B2)	8.40%	**8.40%**	0.00%
Visio BCI Unconstrained Fixed Interest Fund (C)	8.00%	**8.25%**	0.25%
Momentum Core Equity Fund (C)	19.20%	**19.20%**	0.00%
Momentum SA Flexible Fixed Interest Fund (D)	8.00%	**8.25%**	0.25%
BlueAlpha BCI Equity Fund (B)	7.20%	**7.20%**	0.00%
Catalyst SCI Flexible Property Fund (C)	12.00%	**12.00%**	0.00%
	100.00%	100.00%	0.00%

5.9. MIC Unconstrained Portfolio

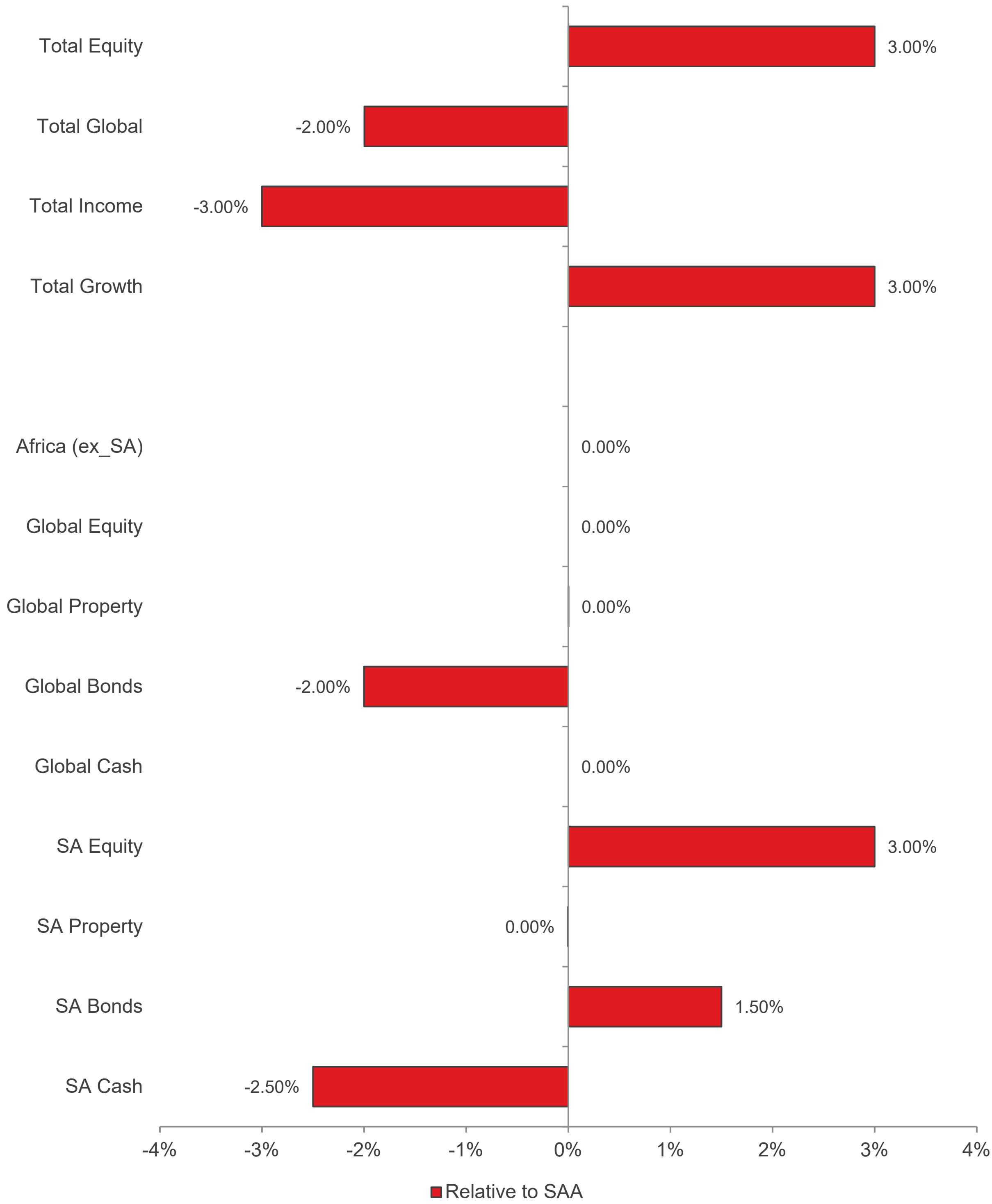
5.9.1. Building block allocation



5.9.2. Look-through asset allocation (as at 31 December 2021)



5.9.3. Look-through asset allocation: Relative to SAA



5.9.4. Portfolio changes

- No changes were made. The portfolio was rebalanced back to ideal allocations.

6. Appendices

6.1. Glossary

- **Asset allocation as at 31 December 2021**

Total growth	Total allocation to local and global property and equity
Total income	Total allocation to local and global cash and bonds

- **Rolling x-year returns (ann.)**
  The historic average annualised return over an x-year time period. The rolling returns provide an indication of the **consistency** of the portfolio in meeting its return objective over the relevant investment horizon.

- **Rolling 12m absolute drawdown**
  The portfolio/benchmark's negative returns over historic 12-month periods. This shows the ability of the portfolio to protect capital over any historic 12-month period.

- **Rolling x-year drawdown (ann.) relative to goal**
  The historic average annualised return of the portfolio relative to its return objective over an x-year time period. The rolling drawdowns show the extent to which the portfolio has underperformed its return objective over the relevant investment horizon.

- **SAA – Strategic asset allocation**
  The optimised long-term benchmark asset allocation of the portfolio. It can be interpreted as the long-term average asset allocation that is expected to most efficiently deliver on a portfolio's risk and return objectives. The actual asset allocation may deviate from the SAA at any given point in time in order to express shorter term views on asset classes or as a result of market movements. The long-term SAA is optimised to deliver on predefined VAR targets measured over 12-month periods with a 95% likelihood. As the risk profile of portfolios increase, so will the VAR targets.

- **Value-at-risk**
  Value-at-risk (VAR) is a statistical measure which quantifies the risk of loss within a portfolio over a specific time frame. More simply, it is an estimate of the maximum loss one can expect from a specific portfolio over a set time period (in our case 12 months) with a given likelihood (in our case 95%). This is best understood by way of an example: For a portfolio with a -2.0% VaR target, this implies that there is a 95% likelihood that the worst return the portfolio is expected to deliver over any 12-month rolling period is -2.0%.

6.2. Disclaimers

These portfolios are administered and managed by Momentum Investment Consulting (Pty) Ltd (MIC), an authorised financial services provider (FSP32726) in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS), as may be amended and/or replaced from time to time and a part of Momentum Metropolitan Holdings Limited, rated B-BBEE level 1.

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The launch date is the date of MIC’s appointment to administer and manage the portfolios. Returns before this date may be based on the portfolio’s pre-existing returns history, if any, or on a combination of calculation methodologies. Return calculation methodologies include: simulated returns before the launch date of the portfolio based on the portfolio's holdings at the launch date, which would not reflect MIC’s historic asset allocation views, or any changes, which would have been made to the portfolio holdings over time, money-weighted returns calculated on the total value of the portfolio with the size and timing of cash flows taken into account, or returns based on an investment in a tracker or index portfolio, which is a time-weighted return and the effect of cash flows is not taken into account. For simulated return calculations, the underlying fund’s retail share classes with the longest return histories have been used. For funds with limited return history, the applicable index returns have been used. For the tracker or index portfolios, returns are after the deduction of the portfolio management fee and either before or after the deduction of any platform administration fees (depending on the linked investment service platform on which the tracker or index portfolio is invested) and before financial adviser fees. Returns for periods exceeding one year are annualised. The return for the Consumer Price Index (CPI) is at the end of the previous month. Total investment charges (TIC) are the sum of a fund’s total expense ratio (TER) and the transaction cost (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. 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 may contain exposure to assets that are invested globally, which may present additional risks. Individual investor returns may differ as a result of platform and adviser fees, the actual investment date, cash flows and other transactions.

MIC does not provide a guarantee on the value of the portfolio nor does it guarantee the returns of the underlying funds in the portfolio. The investor acknowledges the inherent risk associated with the portfolio (currency, investment, market and credit risks) and that capital is not guaranteed. A switch transaction between underlying funds within the portfolio will incur capital gains tax (CGT) for the investor, should the product through which the investor buys the portfolio not be CGT exempt. For details on the underlying funds in the portfolio, please refer to the minimum disclosure documents, which are obtainable from the relevant investment manager. The information contained in this document is confidential, privileged and only for the use and benefit of the intended recipient and may not be used, published or redistributed without the prior written consent of Momentum Metropolitan Holdings Limited or the Momentum Parties. Under no circumstances will Momentum Metropolitan Holdings Limited or the Momentum Parties be liable for any cost, loss or damages arising out of the unauthorised dissemination of this document or the information contain herein.

Sources: Momentum Investments, Morningstar and Finswitch.