Monthly investment report

Destiny Conservative Portfolio

DESTINY RETIREMENT FUNDS

July 2019

Investment strategy

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

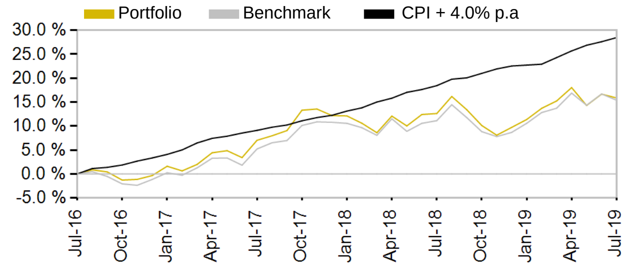
Benchmark allocation

Asset Class	Allocation	Benchmark
Local equities	40.00%	FTSE/JSE Shareholder Weighted Capped Index
Local bonds	14.00%	JSE ASSA All Bond Index
Local cash	21.00%	Short-term Fixed Interest Composite Index
Local property	5.00%	FTSE/JSE SA Listed Property Index
Global	20.00%	Global composite benchmark

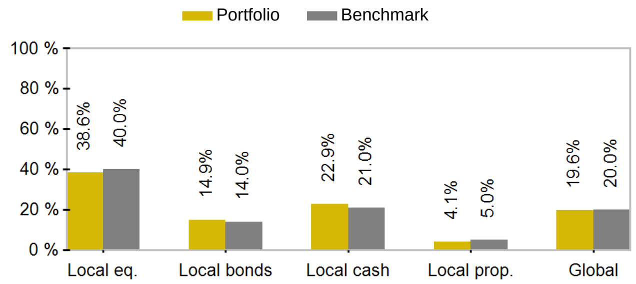
Investment returns

	One Month	Three Months	One Year	Three Years	Five Years	Since Inception
Portfolio	-0.68%	-1.83%	2.90%	5.03%	6.66%	13.12%
Benchmark	-1.11%	-1.27%	3.83%	4.88%	6.67%	12.21%
CPI + 4.0% p.a			8.46%	8.71%	9.03%	9.27%

Cumulative investment returns for three years



Asset allocation



Comments

*The fee was reduced from 1 March 2018. It is made up of the underlying investment managers' fees and Momentum Outcome-based Solutions portfolio management fee. It excludes GIB's fee as well as performance-based fees, which are currently limited to those charged by Coronation, Foord, Fairtree and Allan Gray for its global portfolio.

The benchmark for the local equity component was changed from the FTSE/JSE Shareholder Weighted Index to the FTSE/JSE Shareholder Weighted Capped Index going back to 1 May 2013.

Investment portfolio mandate

This investment portfolio is aimed at long-term capital preservation, insulated from extreme volatility. The exposure to bonds and cash will increase in times of uncertainty. 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 2003
Investment Horizon		Medium to long term
Risk Profile	Conservative / Moderate / Aggressive	
Fee (including VAT)*		0.40%
(Calculation based on three-year period)	**Portfolio**	**Benchmark**
Volatility	6.6%	5.9%
Maximum drawdown	-7.0%	-5.8%
Active risk	1.7%	
Information ratio	0.1	
Beta	1.1	

Largest 10 local equity holdings

	% of portfolio	% of equity
Naspers Ltd	4.6%	9.2%
Anglo American Plc	1.6%	3.2%
British American Tobacco Plc	1.6%	3.1%
BHP Group Plc	1.4%	2.8%
Compagnie Financiere Richmont SA	1.3%	2.6%
Standard Bank Group Ltd	1.1%	2.2%
Sasol Ltd	1.0%	2.1%
Impala Platinum Holdings Ltd	1.0%	2.0%
MTNGroup Ltd	0.9%	1.9%
Firstrand Ltd	0.9%	1.8%
Total	**15.4%**	**30.9%**

Investment manager allocation and returns

	One Month	One Year	Weighting
Local equity managers	**-2.16%**	**-1.84%**	
Fairtree	-1.88%	6.80%	11.0%
Coronation	-0.87%	-3.60%	10.1%
Foord	-2.99%	-7.19%	8.0%
Momentum Capped SWIX Equity	-3.17%	-3.84%	9.6%
FTSE/JSE Shareholder Weighted Capped Index	-3.13%	-3.45%	
Local property managers	**-1.25%**	**0.04%**	
Momentum SA Listed Property Tracker	-1.25%	-0.28%	4.1%
FTSE/JSE SA Listed Property Index	-1.20%	0.08%	
Local bond managers	**-0.62%**	**7.99%**	
ALUWANI	-0.59%	8.04%	7.4%
Prescient	-0.66%	7.94%	7.4%
JSE ASSA All Bond Index	-0.74%	8.06%	
Local cash managers	**0.80%**	**8.77%**	
ALUWANI	0.80%	8.79%	6.2%
Momentum Enhanced Yield	0.82%		14.3%
Liquidity			2.4%
Short-term Fixed Interest Composite Index	0.61%	7.37%	
Global equity managers	**0.62%**	**3.40%**	
Allan Gray Life	0.13%	-0.85%	12.1%
60% MSCI All Countries World Index (lagged) and 40% Citigroup World Government Bond Index (lagged)	1.34%	13.84%	
Blackrock (developed markets)	2.66%	13.66%	4.1%
MSCI Developed Markets (BGI Lagged)	2.27%	13.19%	
Blackrock (emerging markets)	-0.02%	6.82%	3.5%
MSCI Emerging Markets Index	-0.17%	6.21%	
Total			**100%**

GIB FINANCIAL SERVICES