DEFAULT PROTECTION PORTFOLIO

QUARTERLY FACT SHEET AS AT 30 JUNE 2023

The Default Protection Portfolio invests in a range of local and foreign asset classes, including equities, listed property, bonds and cash. The management of the assets is outsourced to a professional investment manager that has been given full discretion to allocate capital between (and within) these asset classes in line with their views of current and expected market and economic conditions, in proportions appropriate to the portfolio's objective, and subject to the regulatory limits applicable to retirement funds. Passive strategies may be included where deemed appropriate, either by the underlying manager themselves, or as separate building blocks.

GENERAL PORTFOLIO INFORMATION

PORTFOLIO	Default Protection		HIGH	**MED**	LOW

Objective: To provide moderate levels of investment growth over the medium term, while preserving capital at all times [1].

Portfolio characteristics:

The Default Protection Portfolio is invested in a smoothed bonus fund.

Investment returns are smoothed by way of monthly, non-negative, bonus declarations [1]. The bonus declarations are based on the returns achieved on the portfolio's underlying investments, but some returns are set aside during periods of strong market growth in order to boost returns during periods of weaker performance.

The underlying manager also offers a capital guarantee [1] (so members will never get less out than what they put in), but the fees of this portfolio are higher than that of normal market-linked portfolios as a result.

Risk profile & suitability:

Has a low to moderate risk profile, and is typically suitable for members who:

- Are seeking reasonable levels of investment growth;
- Have no appetite for capital losses;
- Are willing to pay higher fees to guarantee the value of their capital [1];
- Do not intend to switch between portfolios on a regular basis [2];
- Want to lessen the risk of investing in or disinvesting from the market at the wrong time.

Return target: Aims to achieve a net return of 3-4% a year above inflation over the medium term (i.e. three to five years).

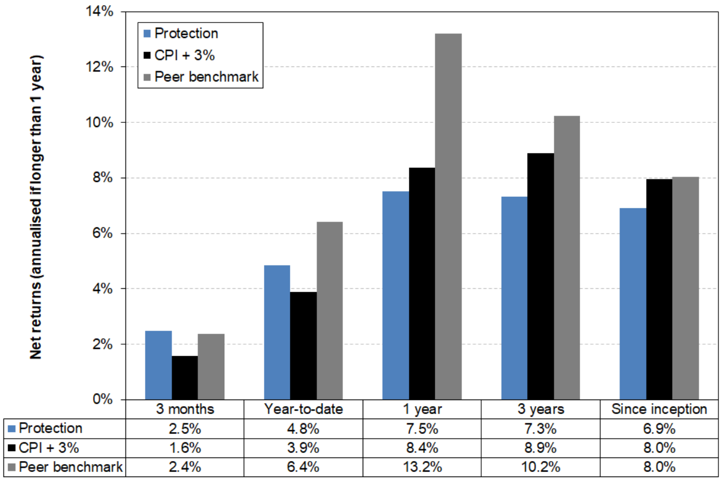
Peer benchmark: Median of the Alexander Forbes Global Conservative survey

Total Investment Charges (TIC): 1.38%

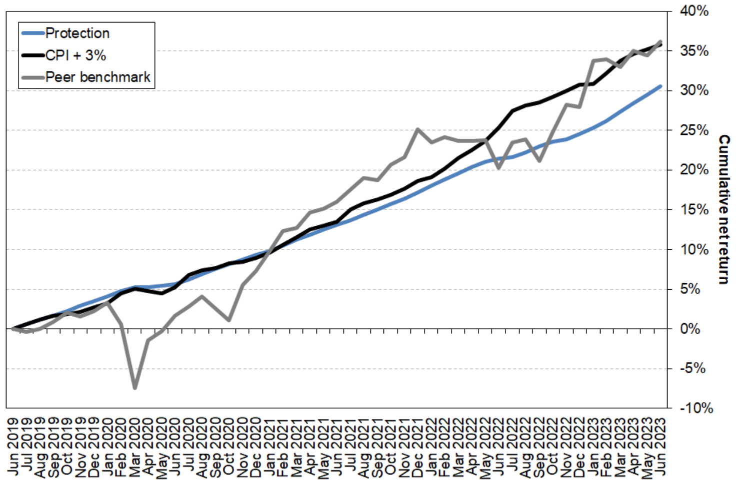
Inception date: 1 July 2019

PERFORMANCE

NET RETURNS



CUMULATIVE NET RETURNS



MONTHLY NET RETURNS

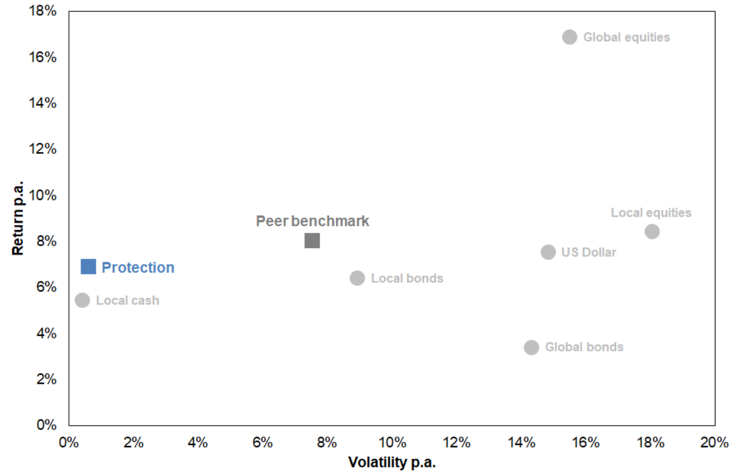
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Peer benchmark
2019							0.6%	0.5%	0.5%	0.6%	0.6%	0.6%	**3.5%**	**2.3%**
2020	0.6%	0.6%	0.4%	0.0%	0.2%	0.2%	0.5%	0.6%	0.6%	0.5%	0.6%	0.5%	**5.6%**	**4.9%**
2021	0.5%	0.6%	0.7%	0.6%	0.6%	0.5%	0.5%	0.6%	0.6%	0.5%	0.6%	0.7%	**7.2%**	**16.6%**
2022	0.7%	0.7%	0.7%	0.6%	0.6%	0.3%	0.2%	0.5%	0.6%	0.5%	0.2%	0.6%	**6.3%**	**2.2%**
2023	0.6%	0.7%	0.9%	0.8%	0.8%	0.9%							**4.8%**	**6.4%**

Acumen Provident Fund
Robson • Savage

Acumen Umbrella Pension Fund
Robson • Savage

RISK

VOLATILITY VS RETURN [3]



ASSET ALLOCATION

Asset class	Local	Foreign	Total
Equities	31.3%	17.4%	**48.7%**
Property	6.5%	2.0%	**8.5%**
Bonds	27.7%	1.7%	**29.4%**
Cash	5.2%	3.2%	**8.4%**
Other	0.1%	4.9%	**5.0%**
Total	**70.8%**	**29.2%**	**100.0%**

RISK

Risk statistic [3]	Protection	Peer benchmark
Volatility	0.6%	7.5%
% negative months	0.0%	31.3%
Largest monthly loss	0.0%	-8.0%
Largest cumulative loss	0.0%	-10.4%

UNDERLYING PORTFOLIO ALLOCATION

Portfolio	Strategic allocation	Current allocation
Sanlam Stable Bonus	100.0%	100.0%

IMPORTANT NOTES

1. A bonus, which consists of a vesting and non-vesting component is declared monthly in advance. Bonuses cannot be negative.
2. The book value is the net contributions accumulated at the bonus rates. The market value is the value of the portfolio's underlying assets. The book value is the value that is guaranteed to be paid out for benefit payments (death, disability, resignation, retrenchment, retirement and pension payments) regardless of market conditions. **The lower of book or market value will however be paid out for switches**.
3. Since inception.

COMMENTARY

The markets

2023 Q2 was a difficult quarter, as loadshedding and our government's foreign diplomacy blunders put local markets under pressure. Local equities still managed to end the quarter marginally up (ALSI = +0.7% and Capped SWIX = +1.2%), but local bonds fell by 1.5% and the rand depreciated by a further 5.9% against the US dollar (USD). Global markets were mixed, with equities enjoying another strong quarter (+6.2% in USD), while bonds suffered a USD loss of 1.8%. With the weak rand the local currency returns from offshore were strong though (+12.5% and +4.0%, respectively), resulting in a decent return of approximately +3% from the average balanced fund.

This means that global markets remain in the lead on a year-to-date (YTD) basis, with double-digit returns of +26.1% and +12.5% from global equities and bonds, respectively (boosted by the rand's 11% depreciation). In a reversal from last year results, local markets have been fairly pedestrian by comparison (ALSI = +5.9%, Capped SWIX = +3.6% and local bonds = +1.8%), but the average balanced fund is sporting a decent YTD return of around +7%, with many managers having recently started to take advantage of the increased regulatory offshore allowance announced last year.

Market returns over the last year have been strong following the lowish base set by 2022 Q2's sell-off (ALSI = +20%, Capped SWIX = +13%, local bonds = +8%, global equities = +35% and global bonds = +13%), resulting in a solid 1-year return of almost +15% from the average balanced fund.

3-year returns have naturally trended lower from last quarter (which were measured from 2020s lows), but with the exception of global bonds (-4% p.a.) remain quite robust (local equities = +16% p.a., local bonds = +8% p.a. and global equities = +14% p.a.), which means that average balanced fund has gained a decent return of around 11-12% p.a. over this period.

Your portfolio

Sanlam declared bonusses totalling +2.5% for the quarter, bringing their 1-year return to +7.5%. This means that, despite sharply rising interest rates, the Stable Bonus portfolio outperformed cash (+6.8%) and inflation (+5.4%) over the last year.

Despite a tough 2022 globally and a difficult start to 2023 locally, the portfolio remains in a fully funded position at the end of 2023 Q2, which bodes well for future returns if markets do well, but also ensures some protection should markets come under pressure.