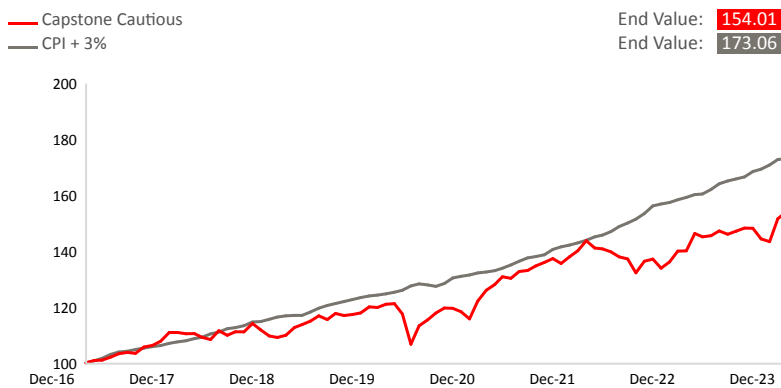




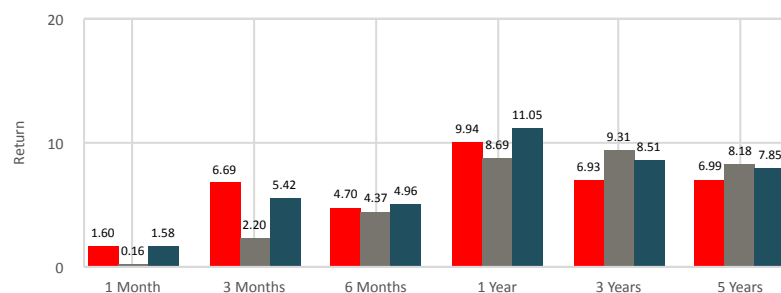
**INVESTMENT OBJECTIVE**

The portfolio is a cautious managed wrap fund. The primary investment objective of the portfolio is to provide the investor with a high level of income and stable capital growth, and the portfolio will seek to follow an investment policy which will reflect a spread of investments aiming at income and capital growth normally associated with the investment structure of a retirement fund with a cautious risk profile.

**PERFORMANCE (Net of Fees)**



**TRAILING RETURNS**



Capstone Cautious  
CPI + 3%  
SA - MA - Low Equity

Performance numbers before portfolio start date are back tested.

**HIGHEST AND LOWEST MONTHLY RETURNS PER CALENDAR YEAR (%)**

Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
High	3.13	2.56	6.18	2.50	2.90	2.87	3.08	2.69	1.51	4.83
Low	-3.63	-1.27	-9.21	-1.15	-2.00	-0.42	-1.48	-0.73	-0.21	-2.32

**PORTFOLIO HOLDINGS**

Asset Allocation	Top Holdings
SA Bond 52.08	Prescient Flexible Bond A2 10.83
Offshore Unit Trust 14.03	Satrix Bond Index B1 8.65
SA Equity 12.27	Anchor BCI Bond A 8.59
Offshore Bond 7.75	STANLIB Global Bond FF B3 7.29
Offshore Equity 7.12	PortfolioMetrix BCI Dynamic Income A 7.01
SA Property 3.36	STANLIB Inflation Linked Bond B3 6.41
SA Cash 2.35	Momentum Inflation Linked Bond B2 6.35
Offshore Cash 0.98	Prescient China Balanced FF A2 4.11
Offshore Property 0.04	BCI Best Blend Global Equity A 4.06
	Riscura BCI China Equity FF A 3.97
	BCI Sands Capital Emerging Markets FF A 3.93
	Coronation Global Opp Eq [ZAR] FF P 3.76
	Sesfikile BCI Property B2 3.26
	BCI Income Plus C 3.15
	MI-PLAN IP Enhanced Income B6 3.07

**FUND INFORMATION**

Portfolio Manager: Capstone  
Launch date: 01 Sep 2010  
Benchmark: CPI + 3%  
Regulation 28: This portfolio is managed in accordance with Regulation 28.

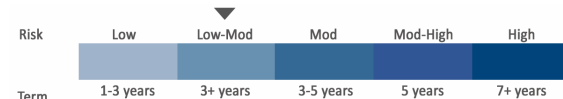
Portfolio management fee: 0.60% (Excl. VAT)

The TER's of the underlying funds may differ from platform to platform and can be obtained from the particular LISP's quote.

**PLATFORM AVAILABILITY**

Ninety One  
Momentum Wealth

**RISK PROFILE**



**Low | Low - Moderate**

- This portfolio has low to no equity exposure, resulting in low risk, stable investment returns.
- The portfolio is exposed to interest rate risks.
- The portfolio is suitable for short term investment horizons

**Moderate | Moderate - High**

- This portfolio holds more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a low risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be lower than a high-risk portfolio due to lower equity exposure, but higher than a low risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.

**High**

- This portfolio holds more equity exposure than any other risk profiled portfolio and therefore tends to carry higher volatility due to high exposure to equity markets.
- Expected potential long term returns could be higher than other risk profiles and in turn the risk of potential capital losses is higher.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- Therefore, it is suitable for long term investment horizons.

**Capstone Cautious**

**Risk - 1 Year**

Time Period: 01/01/2023 to 31/12/2023

Annualised Return	9.94
Max Drawdown	-3.27
Information Ratio	0.16
Sharpe Ratio	0.39
Best Month	04/2020
Worst Month	03/2020
Max Drawdown Recovery	1



# CAPSTONE CAUTIOUS PORTFOLIO

WRAP PORTFOLIO INFORMATION DOCUMENT | 31 DECEMBER 2023

## MARKET COMMENTARY

\*South African index returns are quoted in rands, while all other return figures are quoted in USD terms.

December proved to be yet another positive month for global equity markets, solidifying 2023 as a remarkable year for equity returns. The MSCI World GR USD closed the month with a +4.94% (MoM) return, resulting in an impressive 2023 of 24.42%. The prevailing optimistic sentiment throughout 2023 was driven by declining US inflation and the anticipation of interest rate cuts by the US Federal Reserve in the near future. US technology stocks emerged as the top performers of the year, with the tech-heavy Nasdaq 100 experiencing a 5.56% (MoM) returns. Major European markets witnessed significant growth in 2023, bouncing back from a challenging 2022. Germany's DAX index experienced an increase of 4.59% (MoM) (+13.59% in 4Q2023/+24.53% in 2023), while France's CAC Index concluded December with a 4.59% (MoM) rise (+10.52% in 4Q2023/+24.35% in 2023), this in spite of the sluggish performance of the European economy, which ended the year on the brink of a recession. Emerging Market (EM) equities performance continued to be hindered by Chinese stocks which encountered a notable setback as the Shanghai Shenzhen CSI 300 witnessed a decline of -1.27% (MoM) (-4.02% in 4Q2023/-10.90% in 2023). The growth of the Chinese economy has been hindered by detrimental policies that target sectors such as property, technology, private education/healthcare and more. These policies aim to strengthen the government's control over the private sector and redistribute wealth. Unfortunately, the lack of transparency in Chinese policy and data presents challenges in accurately evaluating the lasting effects of these measures. On a positive note, the BOVESPA IBRX and S&P BSE SENSEX India both recorded favourable gains of 7.10% and 8.07% (MoM) respectively, driven by the anticipation of the Fed's potential interest rate reduction. This development further strengthened the MSCI EM, which achieved an increase of 3.95% (MoM). Locally, the month was exceptionally positive as all sectors concluded the month on a positive note. The FTSE JSE All Share Index in South Africa experienced a 2.00% (MoM) increase. Similarly, the FTSE JSE Capped SWIX saw a rise of 2.53% (MoM). Property counters performed exceptionally well on the JSE, with the SA Listed Property Index showing an impressive 9.92% (MoM). The Fini-15 also witnessed favourable growth, with an increase of 5.54% (MoM). On the other hand, the Indi-25 experienced a slight uptick of 0.49% (MoM). However, the Resi-10 performed poorly in December, showing a decline of -1.32% (MoM), despite the strong performance of gold counters.

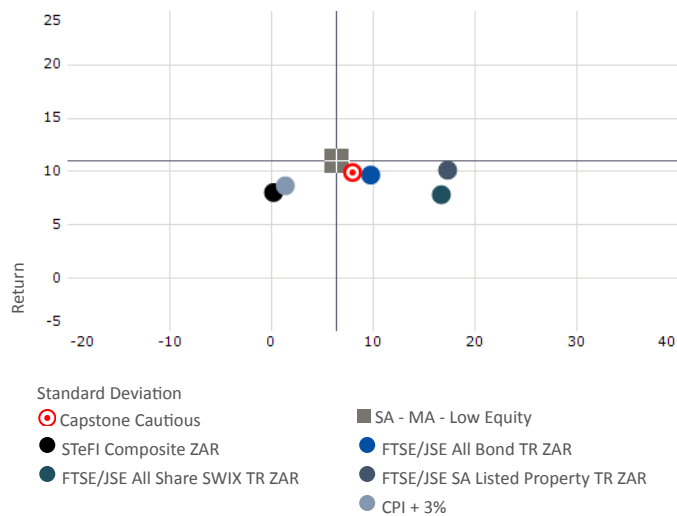
## MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD/YEAR
<b>2023</b>	4.44	-0.82	0.28	1.17	-0.80	0.73	0.78	-0.05	-2.57	-0.67	5.72	1.60	9.94
<b>2022</b>	-1.81	-0.21	-0.76	-1.28	-0.54	-3.63	3.13	0.57	-2.37	1.69	2.83	0.07	-2.52
<b>2021</b>	1.63	2.18	-0.43	1.87	0.28	1.23	0.93	1.01	-1.27	1.77	1.55	2.56	14.07
<b>2020</b>	0.18	-3.05	-9.21	6.18	1.86	2.12	1.54	-0.10	-1.02	-2.16	5.52	3.16	4.14
<b>2019</b>	2.50	0.94	1.12	1.62	-1.15	1.90	-0.63	0.32	0.48	1.84	-0.18	0.96	10.09
<b>2018</b>	0.05	-1.22	-0.72	2.90	-1.45	1.16	-0.04	2.70	-2.00	-1.96	-0.48	0.73	-0.48

## RISK REWARD - 1 YEAR

Peer group average: SA - MA - Low Equity

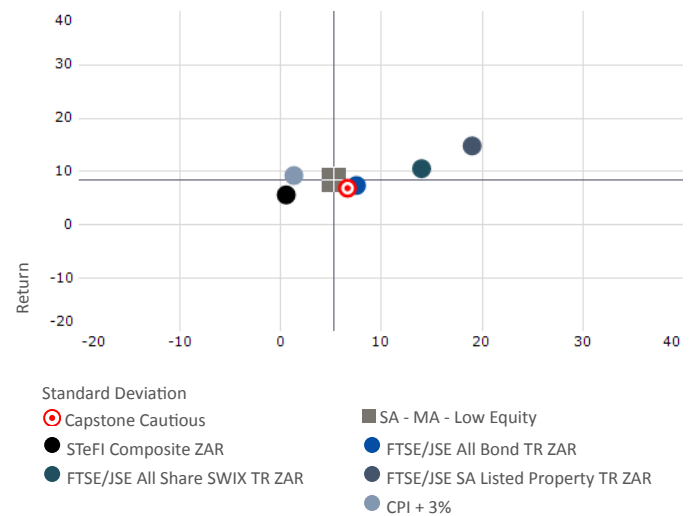
Time Period: 01/01/2023 to 31/12/2023



## RISK REWARD - 3 YEAR

Peer group average: SA - MA - Low Equity

Time Period: 01/01/2021 to 31/12/2023



## DISCLAIMER

Managed by: Capstone 293 (Pty) Ltd. Authorised Financial Service Provider, FSP Number 5712.

The fund allocation (above) indicates the holdings of the model portfolio, also referred to as wrap portfolios. The portfolio holdings are quantitatively and qualitatively assessed on a quarterly basis by the independent investment committee. Where any of the above funds are not available on any particular Linked Investment Service Provider (LISP) platform, an appropriately comparable replacement fund is selected by the investment committee. Due to the possible fund composition variations resulting from such comparable replacements, the actual overall asset allocation, fees and returns may differ across platforms. Periodic portfolio rebalancing is initiated by the investment committee to realign strategic allocations whilst taking specific account of the intended risk and return profiles of the portfolios as well as capital gains tax and cost effects. Past performance is not indicative of future performance and for the historical return purposes above it was assumed that before the launch date of the portfolio, the portfolio's holdings and asset allocation remained static during the entire back tested period. The capital or the return of a portfolio is not guaranteed. A wrap fund is a portfolio consisting of a number of underlying investments wrapped into a single product. Wrap funds are not legal CIS funds of funds as the wrap fund itself is not a collective investment portfolio, but is simply a collection of separate collective investment portfolios and money market accounts. With a wrap fund the investor has direct ownership of the underlying investments. Wrap funds are not regulated by the Collective Investment Schemes Control Act and do not have a separate legal status. They are regulated by the same legislation that applies to Linked Investment Services Providers (LISPs), namely the Stock Exchanges Control Act and the Financial Markets Control Act. Investors should take note that any changes made within a wrap fund can trigger capital gains tax.

The portfolio's performance numbers are based on a master portfolio tracked in the Morningstar Direct system. These performance numbers are net of all underlying managers TER's, but gross of the portfolio management, LISP and advice fees.

## FAIS CONFLICT OF INTEREST DISCLOSURE

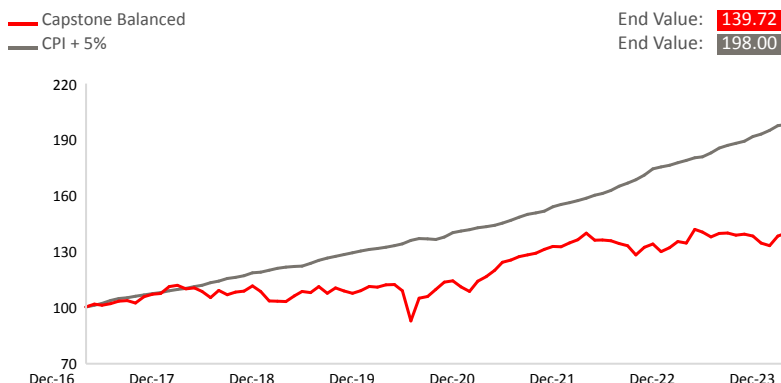
Please note that your financial advisor has to disclose any conflict of interest as well as all fees received relating to your investment in writing to you.



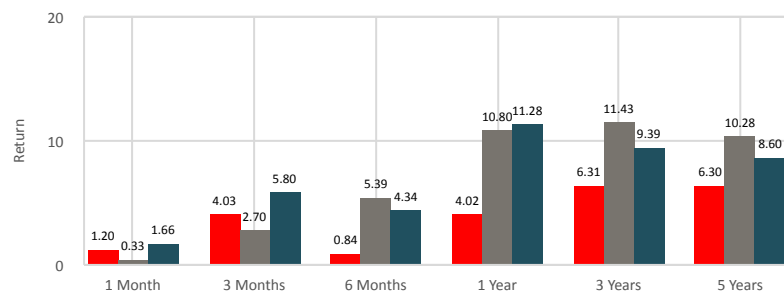
INVESTMENT OBJECTIVE

The Capstone Balanced Model Portfolio is a portfolio managed in compliance with the prudential investment guidelines for retirement funds in South Africa to the extent allowed for by the Act, with the objective to offer investors a moderate to high long term total return. The portfolio's net equity exposure will range between 0% and 60% of the portfolio's net asset value. In order to achieve its objective, the investments normally to be included in the portfolio may comprise a combination of assets in liquid form, money market instruments, interest bearing securities, bonds, debentures, corporate debt, equity securities, other interest bearing securities, property securities, preference shares, convertible equities and non-equity securities.

PERFORMANCE (Net of Fees)



TRAILING RETURNS



Capstone Balanced  
CPI + 5%  
SA - MA - Medium Equity

Performance numbers before portfolio start date are back tested.

HIGHEST AND LOWEST MONTHLY RETURNS PER CALENDAR YEAR (%)

Year	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
High	3.21	3.60	13.18	2.99	3.66	3.45	3.40	3.49	2.30	7.21
Low	-3.71	-0.12	-14.89	-3.23	-4.69	-1.70	-2.30	-1.99	-0.95	-3.62

PORTFOLIO HOLDINGS

Asset Allocation	Value	Top Holdings	Value
SA Bond	31.63	Prescient China Balanced H USD	10.95
Offshore Equity	18.52	Anchor BCI Bond D	8.86
SA Cash	17.71	Prescient Flexible Bond B1	8.08
Offshore Bond	11.51	Schroder ISF Global Eq C Acc USD	7.38
Offshore Unit Trust	9.02	Satrix ILBI ETF	7.11
Offshore Cash	7.58	STANLIB Global Bond FF B2	4.78
SA Equity	3.91	Ninety One GSF Glb Gold I Acc USD	4.56
Offshore Property	0.09	STANLIB Inflation Linked Bond B1	4.40
SA Property	0.05	iShares TIPS Bond ETF	4.28
		BCI Sands Capital Emerging Markets	
		FF A	3.99
		Coronation Global Opp Eq [ZAR] FF P	3.96
		Cash	16.82

FUND INFORMATION

Portfolio Manager: Capstone  
Launch date: N/A  
Benchmark: CPI + 5%  
Regulation 28: This portfolio is managed in accordance with Regulation 28.

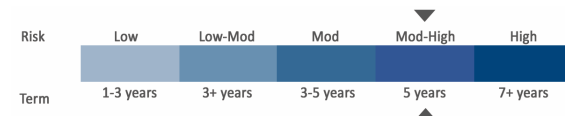
Portfolio management fee: N/A

The TER's of the underlying funds may differ from platform to platform and can be obtained from the particular LISP's quote.

PLATFORM AVAILABILITY

Ninety One  
Momentum Wealth

RISK PROFILE



Low | Low - Moderate

- This portfolio has low to no equity exposure, resulting in low risk, stable investment returns.
- The portfolio is exposed to interest rate risks.
- The portfolio is suitable for short term investment horizons

Moderate | Moderate - High

- This portfolio holds more equity exposure than a low risk portfolio but less than a high-risk portfolio. In turn the expected volatility is higher than a low risk portfolio, but less than a high-risk portfolio. The probability of losses is higher than that of a low risk portfolio, but less than a high-risk portfolio and the expected potential long term investment returns could therefore be lower than a high-risk portfolio due to lower equity exposure, but higher than a low risk portfolio.
- Where the asset allocation contained in this MDD reflects offshore exposure, the portfolio is exposed to currency risks.
- The portfolio is exposed to equity as well as default and interest rate risks.
- Therefore, it is suitable for medium term investment horizons.

High

- This portfolio holds more equity exposure than any other risk profiled portfolio and therefore tends to carry higher volatility due to high exposure to equity markets.
- Expected potential long term returns could be higher than other risk profiles and in turn the risk of potential capital losses is higher.
- Where the asset allocation contained in this MDD reflect offshore exposure, the portfolio is exposed to currency risks.
- Therefore, it is suitable for long term investment horizons.

Capstone Balanced

Risk - 1 Year

Time Period: 01/01/2023 to 31/12/2023

Annualised Return	4.02
Max Drawdown	-6.18
Information Ratio	-0.84
Sharpe Ratio	-0.30
Best Month	04/2020
Worst Month	03/2020
Max Drawdown Recovery	0

# CAPSTONE BALANCED PORTFOLIO

PORTFOLIO STRATEGY | 31 DECEMBER 2023

## MARKET COMMENTARY

\*South African index returns are quoted in rands, while all other return figures are quoted in USD terms.

December proved to be yet another positive month for global equity markets, solidifying 2023 as a remarkable year for equity returns. The MSCI World GR USD closed the month with a +4.94% (MoM) return, resulting in an impressive 2023 of 24.42%. The prevailing optimistic sentiment throughout 2023 was driven by declining US inflation and the anticipation of interest rate cuts by the US Federal Reserve in the near future. US technology stocks emerged as the top performers of the year, with the tech-heavy Nasdaq 100 experiencing a 5.56% (MoM) returns. Major European markets witnessed significant growth in 2023, bouncing back from a challenging 2022. Germany's DAX index experienced an increase of 4.59% (MoM) (+13.59% in 4Q2023/+24.53% in 2023), while France's CAC Index concluded December with a 4.59% (MoM) rise (+10.52% in 4Q2023/+24.35% in 2023), this in spite of the sluggish performance of the European economy, which ended the year on the brink of a recession. Emerging Market (EM) equities performance continued to be hindered by Chinese stocks which encountered a notable setback as the Shanghai Shenzhen CSI 300 witnessed a decline of -1.27% (MoM) (-4.02% in 4Q2023/-10.90% in 2023). The growth of the Chinese economy has been hindered by detrimental policies that target sectors such as property, technology, private education/healthcare and more. These policies aim to strengthen the government's control over the private sector and redistribute wealth. Unfortunately, the lack of transparency in Chinese policy and data presents challenges in accurately evaluating the lasting effects of these measures. On a positive note, the BOVESPA IBRX and S&P BSE SENSEX India both recorded favourable gains of 7.10% and 8.07% (MoM) respectively, driven by the anticipation of the Fed's potential interest rate reduction. This development further strengthened the MSCI EM, which achieved an increase of 3.95% (MoM). Locally, the month was exceptionally positive as all sectors concluded the month on a positive note. The FTSE JSE All Share Index in South Africa experienced a 2.00% (MoM) increase. Similarly, the FTSE JSE Capped SWIX saw a rise of 2.53% (MoM). Property counters performed exceptionally well on the JSE, with the SA Listed Property Index showing an impressive 9.92% (MoM). The Fini-15 also witnessed favourable growth, with an increase of 5.54% (MoM). On the other hand, the Indi-25 experienced a slight uptick of 0.49% (MoM). However, the Resi-10 performed poorly in December, showing a decline of -1.32% (MoM), despite the strong performance of gold counters.

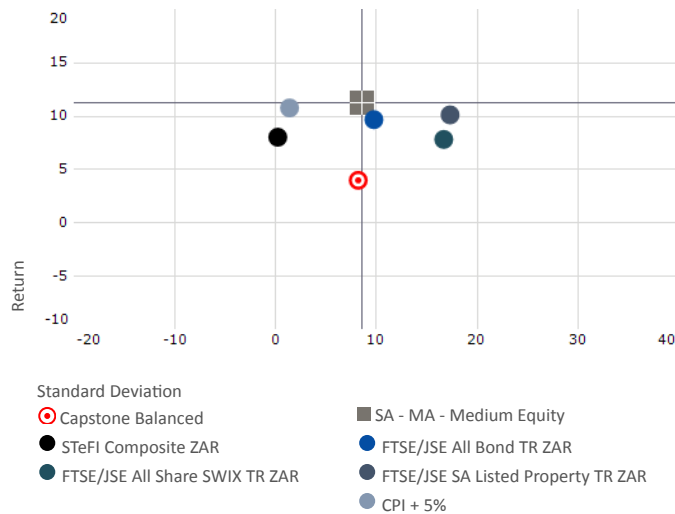
## MONTHLY RETURNS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD/YEAR
<b>2023</b>	5.47	-1.02	-1.85	1.35	0.16	-0.83	0.39	-0.72	-2.74	-1.04	3.87	1.20	4.02
<b>2022</b>	-2.71	0.09	-0.30	-1.11	-0.88	-3.71	3.21	1.34	-3.07	1.64	2.50	-0.60	-3.81
<b>2021</b>	2.92	3.60	0.96	1.47	0.74	0.70	1.60	1.19	-0.12	1.57	1.25	2.62	20.07
<b>2020</b>	0.14	-2.99	-14.89	13.18	0.88	3.59	3.59	0.61	-2.86	-2.19	5.07	2.16	3.94
<b>2019</b>	2.97	2.22	-0.57	2.99	-3.23	2.69	-1.49	-1.15	1.29	2.09	-0.32	1.13	8.72
<b>2018</b>	0.45	-1.72	-3.04	3.66	-2.12	1.33	0.48	2.59	-2.70	-4.69	-0.13	-0.17	-6.22

## RISK REWARD - 1 YEAR

Peer group average: SA - MA - Medium Equity

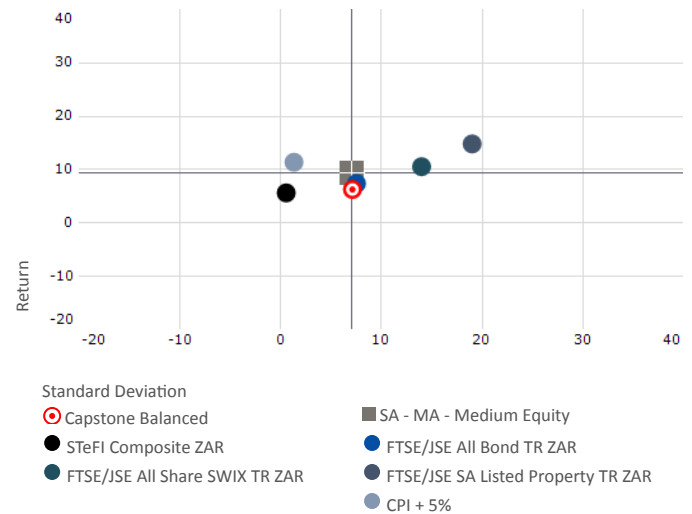
Time Period: 01/01/2023 to 31/12/2023



## RISK REWARD - 3 YEAR

Peer group average: SA - MA - Medium Equity

Time Period: 01/01/2021 to 31/12/2023



## DISCLAIMER

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The portfolio's performance numbers are based on a master portfolio tracked in the Morningstar Direct system. These performance numbers are net of all underlying managers TER's, but gross of the portfolio management, LISP and advice fees.

## FAIS CONFLICT OF INTEREST DISCLOSURE

Please note that your financial advisor has to disclose any conflict of interest as well as all fees received relating to your investment in writing to you.