

## SOUTH AFRICAN LOCAL AUHTORITIES PENSION FUND

### FUND AND MARKET PERFORMANCE REPORT AS AT DECEMBER 2018

#### MARKET COMMENTARY

Last year ended on a volatile note as global growth concerns, geopolitics and uncertainty regarding global trade policy sent markets gyrating. Local equities fell in line with global sentiment, bringing the year's losses to -8.5%. On the data front, growth figures released by Statistics South Africa confirmed that the country had exited from a technical recession in the third quarter. GDP grew 2.2% quarter-on-quarter, while the second quarter contraction was also revised higher. December was an unforgiving month for global equities as market risk weighed on investor sentiment. Global shares tumbled as reflected in the MSCI Global Equity Index, which returned -7.5% for the month, bringing its annual loss to -8.2%. Treasury yields had a volatile year as investors around the world struggled with tighter monetary policy, fears of an economic slowdown and an ongoing U.S.-China trade war.

#### MARKET PERFORMANCE

As at December 2018	1 month	3 months	12 months
<b>RSA Equities</b>	2.59%	-3.98%	-10.94%
<b>RSA Bonds</b>	0.64%	2.74%	7.69%
<b>RSA Cash</b>	0.60%	1.78%	7.25%
<b>RSA Property</b>	-1.06%	-3.99%	-25.26%
<b>International Equities</b>	-4.33%	-12.09%	6.46%
<b>International Bonds</b>	5.60%	2.63%	14.58%
<b>USD/ZAR</b>	3.50%	1.41%	15.97%

\*Source: IRESS

#### FUND PERFORMANCE

The Fund comprises of both defined benefit and defined contribution schemes, as such the Fund has 4 investment portfolios. DC Money Market does not have track record longer than 3 and 5 years.

Returns for the periods - 12 months, 3 years & 5 years to December 2018

