



NOVARE[®]
actuaries & consultants

| Monthly Report |

SALA Pension Fund

November 2020

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REPORT OVERVIEW

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

The Fund comprises of both defined benefit and defined contribution schemes, as such the Fund has 4 investment portfolios.

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees.

The financial year end of the Fund is 30 June. The returns for the financial year reflect returns from the 1st of July.

Year to date ("YTD") performance represents calendar year to date.

MARKET OVERVIEW

The performance figures reflected in Section A of this report have been sourced from Reuters.

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

All performance figures for periods greater than 12 months (1 year) are annualised, unless indicated otherwise.

MANAGER PERFORMANCE

The performance figures of the Fund's underlying managers represent the returns as per the manager monthly reports.

OBJECTIVE

The objective of the DB Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Growth Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Moderate Portfolio represents the inflation target of CPI + 3%

The objective of the Pensioner Portfolio represents the inflation target of CPI + 4.5%

BENCHMARK

The benchmark performance in this report for the DB portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	12.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	7.5%	STeFI
Domestic Alternatives	15%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

The benchmark performance in this report for the DC Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	37.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	5%	SA Listed Property
Domestic Money Market	2.5%	STeFI
Domestic Alternatives	12.5%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

REPORT OVERVIEW

The benchmark performance in this report for the Pensioner portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	12.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	7.5%	STeFI
Domestic Alternatives	15%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

The benchmark performance in this report for the DC Moderate portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	7.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	27.5%	ALBI
Domestic Money Market	35%	STeFI
Domestic Alternatives	10%	CPI + 3.5%
International	15%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

TACTICAL LIMITS

DB Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Growth

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	55%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

Pensioner Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Moderate

Asset Class	Lower limit	Upper limit
Domestic Equities	7.5%	25%
Domestic Fixed Income	20%	40%
Domestic Property	0%	10%
Domestic Money Market	15%	60%
Domestic Alternatives	2.5%	15%
Africa	0%	0%
International	5%	25%

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NAC is an Authorised Financial Service Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002. **FSP No. 815.**

NAC is approved by the Financial Services Board in terms of Section 13B of the Pension Funds Act, 24 of 1956, as an Investment Administrator: 24/ 456.

Section A

Market Overview



DOMESTIC MARKET VIEW

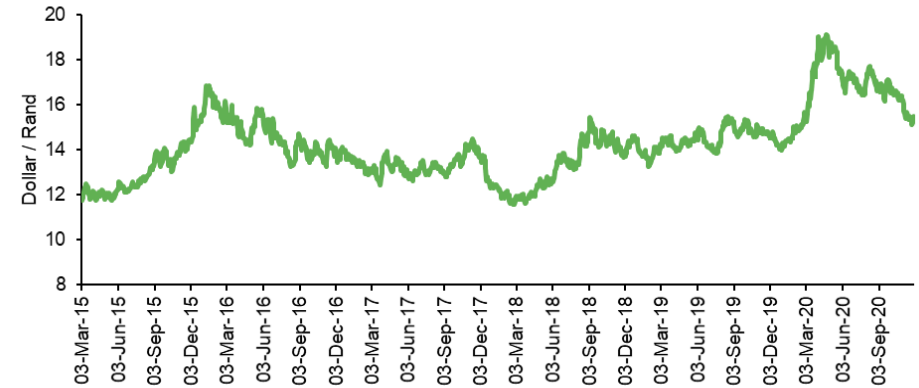


Locally, the JSE All Share Index was up 10.5% for the month, and the best performers were the financials and listed property coming from a low base, returning 18.0% and 17.5% respectively.

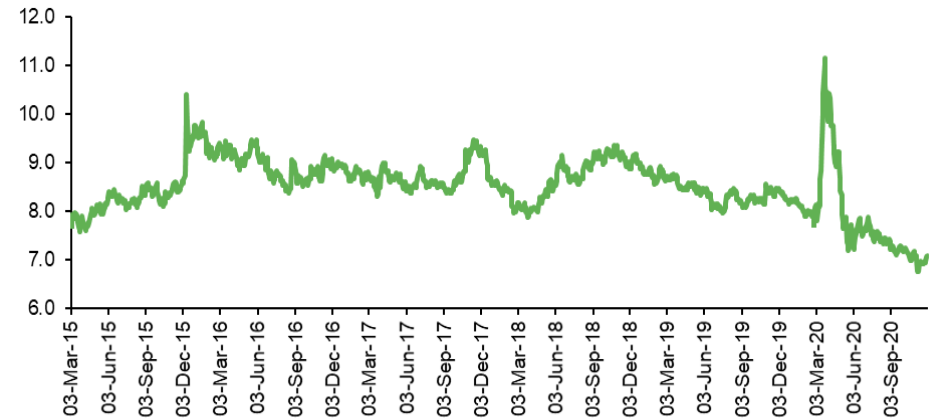
All-Bonds Index (ALBI) was also up 3.3% for the month, producing similar performance to the global fixed income indices. Resources continues to be a star performer YTD on the back of 2019's good performance returning 11.4% for November.

Not only did our local market join the party in global markets, but the rand also continued its strength throughout the month closing at 15.35 towards the end of the month, levels last seen at the beginning of March before the commencement of lockdown.

Rand



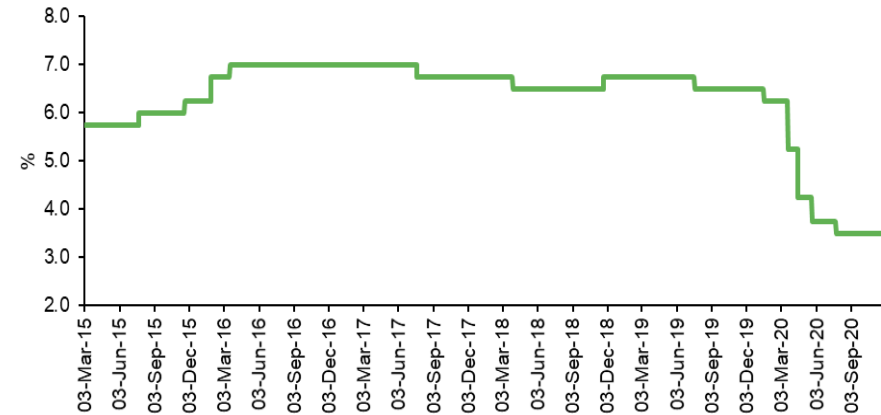
S.A. 10-Year Government Benchmark Yield



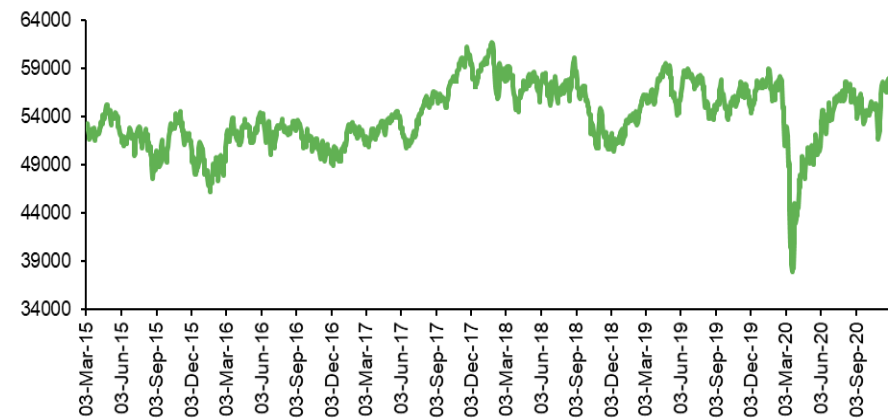
DOMESTIC MARKET VIEW

Not even a 60% increase in online sales on a black Friday could save the day for SA retailers, with the number of physical sales down by roughly 2 million transactions compared to last year according to business insider and the trend being common globally. The SA retailers managed to return 16.2% for November.

Repo Rate



FTSE/JSE All Share Index



INTERNATIONAL MARKET VIEW

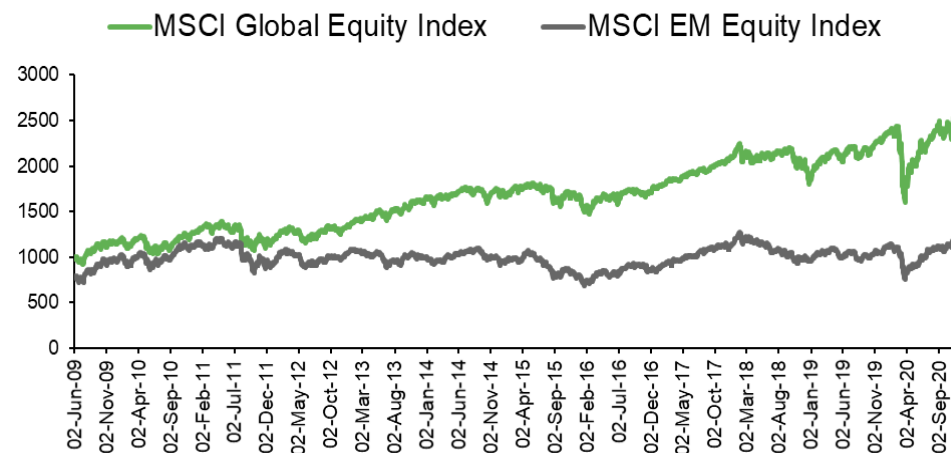
Globally, November was marked as a turning point since the start of the global pandemic. The announcement of three vaccines that are effective against the virus drove most of the market indicators to positive territory on a year-to-date (YTD) basis and added fuel to the post-US election rally.

Over three successive Mondays in the month, markets were greeted by the Pfizer/BioNTech, Moderna and AstraZeneca/Oxford announcement of vaccines that had shown to be effective in reducing symptomatic cases of Covid-19.

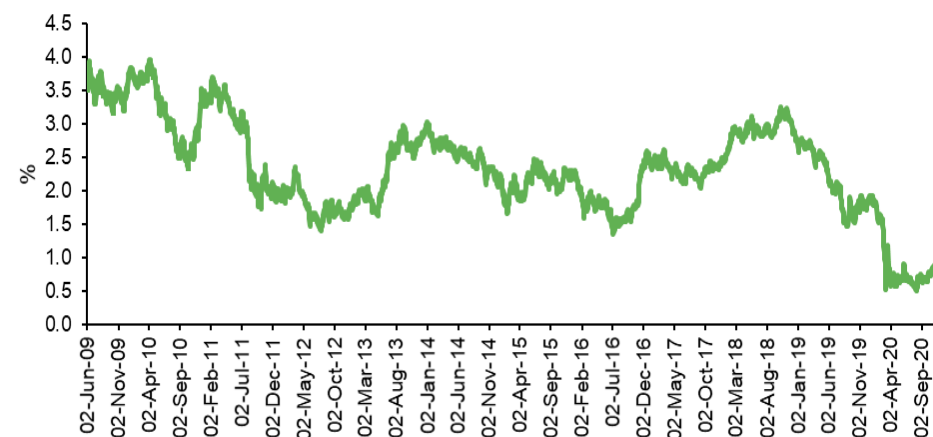
This comes at a time when the number of new cases and hospitalisations have reached record highs across the US and Europe.

The economic recovery in the US has been proceeding at a steady pace, but there are some signs that it is slowing. The flash PMI survey for November, however, showed that both manufacturing and services activity was improving, with the indices both rising more than expected.

October numbers for the labour force also showed some improvement, with unemployment rate falling by 1.0% to 6.9% y/y.



U.S. 10-Year Government Benchmark Yield

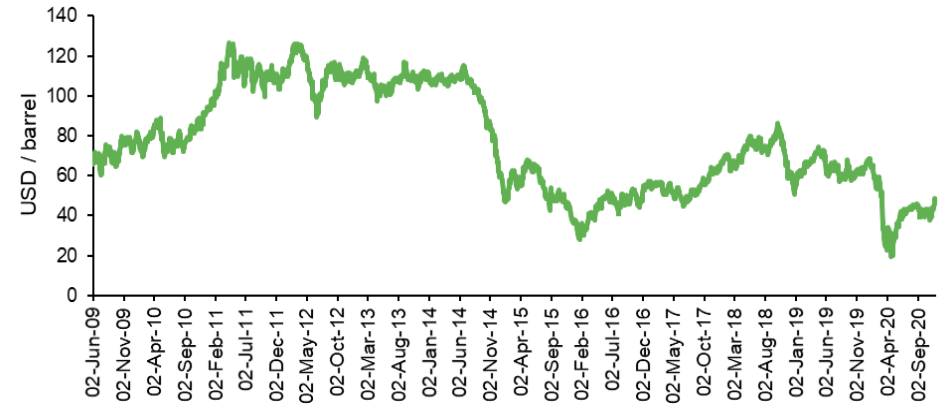


INTERNATIONAL MARKET VIEW

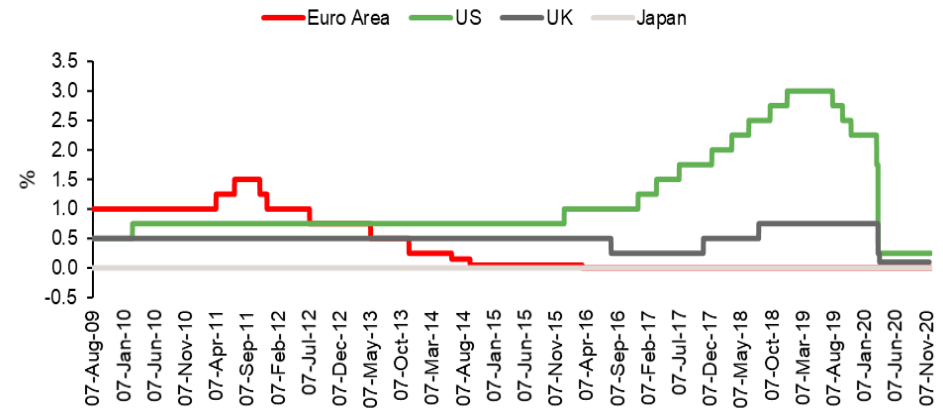
Most of the equity markets returned close to double digits including some of the biggest losers of 2020 gaining the most in November. The MSCI Europe ex-UK and FTSE All-Share index returned 14.2% and 12.7% respectively. Equity indices that were already in the positive territories in 2020 also managed to produce impressive performance for November. The S&P500 returned 11.0% for the month and Asia ex-Japan was up 8.0% for the month.

The Aggregated MSCI World and Emerging market equities indices were also up 12.7% and 9.2% respectively. Similarly, other Asset classes responded quite positively to the news with the Global IG debt and the EM Debt both up for the month, 3.1% and 3.7% respectively.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION

RSA BONDS

In line with the large risk-on trade globally, foreigners once again became net buyers of local paper to the tune of some R12bn. Local bonds managed to end the month up 3.28% as the curve reversed its recent steepening with yields on the short end rising and the long end declining. The SARB has started to withdraw the additional liquidity in the local market with purchases of government bonds in the secondary market. The shorter end of the curve was down a few basis points while the long-end (10+ years) generated a 5.36% m/m return.

The last MPC meeting of the year was the main event during the month but disappointed as the repo rate was left unchanged. Neither this, nor the further downgrade of our local sovereign debt by Moody's and Fitch could however dampen the bullish mood in the market. We maintain a cautious view of the asset class despite the recent bullishness as we still see a further deterioration of the local economy due to second-round COVID effects as a high probability.

RSA PROPERTY, ALTERNATIVES AND CASH

The property sector finally found its footing again, (albeit mostly because of the overall bullish sentiment abound and off a very low base) gaining 17,47% for the month. The sector is however still down more than 40% on a year-to-date basis. We view the recent bullishness to have been more concerned with the general positive sentiment than a change in idiosyncratic factors or an increase in local sentiment. Depressed market conditions and the most recent company results indicate the severe impact that the Covid pandemic had on the sector. Although there have been large decreases in distributions, we believe the speed of the economic recovery will determine performance into year-end.

The weak macro-economic backdrop continues to negatively affect all sectors of the property market. Even though we have seen slight improvements in retail sales we believe the sector will remain under severe pressure, leading to weak trading densities and lower occupancy levels. We maintained an underweight position in this asset class. As mentioned earlier, the yield curve reversed course during the month and started to flatten due to global events and the 2v10 spread decreased by almost 40 bps. The swap curve also shifted up by 30bp-40bp since October. Since the November MPC meeting both swap (up to the 10-year point) and FRA rates have increased by between 17bp and 24bp across their respective curves.

Credit spreads have contracted but we remain uncomfortable by the large uncertainty that the potential second round effects of Covid could have on SA Inc. Over November, the rand rallied hard the risk-on environment and gained against the dollar by 6.4% m/m. This has helped the local unit retrace its YTD depreciation to only -8.2% despite the large sell-offs in Q1. Cash remains the balancing item.

RSA EQUITIES

Local equities also rallied more than 10% during the month with industrials and consumer goods leading the charge, as both sector increased in excess of 20%. Financials also bounced back strongly as the expectation for further rate cuts in the short-term started to diminish. Despite the rally, foreigners remain net seller of local equities to the tune of R16bn.

Already fragile South African consumers and businesses will not experience the financial support offered to those in more prosperous nations, and we believe SA Inc. will remain under pressure. We therefore maintain a preference for companies with strong business models capable of earnings resilience in what will be an even more challenging environment than we expected heading into 2020.

Traditional valuation metrics indicate that local equities are slightly cheap, given the latest economic data, but are not at bargain basement valuations by any stretch of the imagination. We continued to maintain an underweight position in local stocks within an emerging market equity portfolio.

INTERNATIONAL

Globally, November was marked as a turning point since the start of the global pandemic. The announcement of three vaccines that are effective against the virus drove most of the market indicators to positive territory on a year-to-date (YTD) basis and added fuel to the post-US election rally.

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at a time when the number of new cases and hospitalisations have reached record highs across the US and Europe.

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Similarly, other Asset classes responded quite positively to the news with the Global IG debt and the EM Debt both up for the month, 3.1% and 3.7% respectively. lower.

NOVARE HOUSE VIEW: November 2020

TACTICAL POSITIONING*

	UNDER-WEIGHT	← ON-WEIGHT →	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight			
Equities	85%			95%
Bonds	95%			95%
Property	85%			95%
Alternatives		100%		100%
Cash		Balancing		100%
OFFSHORE			120%	120%
Equities	80%			100%
Bonds	70%			70%
Alternatives		100%		125%
AFRICA		100%		

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, domestic bonds and domestic property: whilst maintaining an overweight to International assets. Due to the limit of 30% to international assets, the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
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TACTICAL ASSET ALLOCATION

Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	12.4%	6.2%	11.6%	15.6%	9.6%	11.4%
MSCI Emerging Markets	9.3%	9.8%	10.5%	18.8%	5.3%	11.1%
Global Bonds (R)	-3.0%	-7.3%	19.0%	14.5%	9.0%	6.0%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	26.2%	5.7%	-27.6%	-23.4%	-8.6%	1.4%
Platinum (USD/oz)	13.0%	3.1%	-1.2%	7.1%	0.7%	2.9%
Gold (USD/oz)	-5.4%	-9.3%	16.5%	22.0%	11.7%	10.8%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	10.5%	3.6%	2.6%	6.0%	1.6%	5.1%
Domestic Bonds	3.3%	4.1%	6.1%	8.0%	10.0%	8.4%
Domestic Cash	0.3%	1.0%	5.1%	5.7%	6.7%	7.0%
Domestic Property	17.5%	4.3%	-42.4%	-43.6%	-22.9%	-11.9%
International Equity	7.5%	-3.5%	23.4%	21.6%	14.8%	12.1%
International Bonds	-3.0%	-7.3%	19.0%	14.5%	9.0%	6.0%
Exchange rate (R / \$)	-4.8%	-8.7%	10.5%	5.6%	4.2%	1.4%

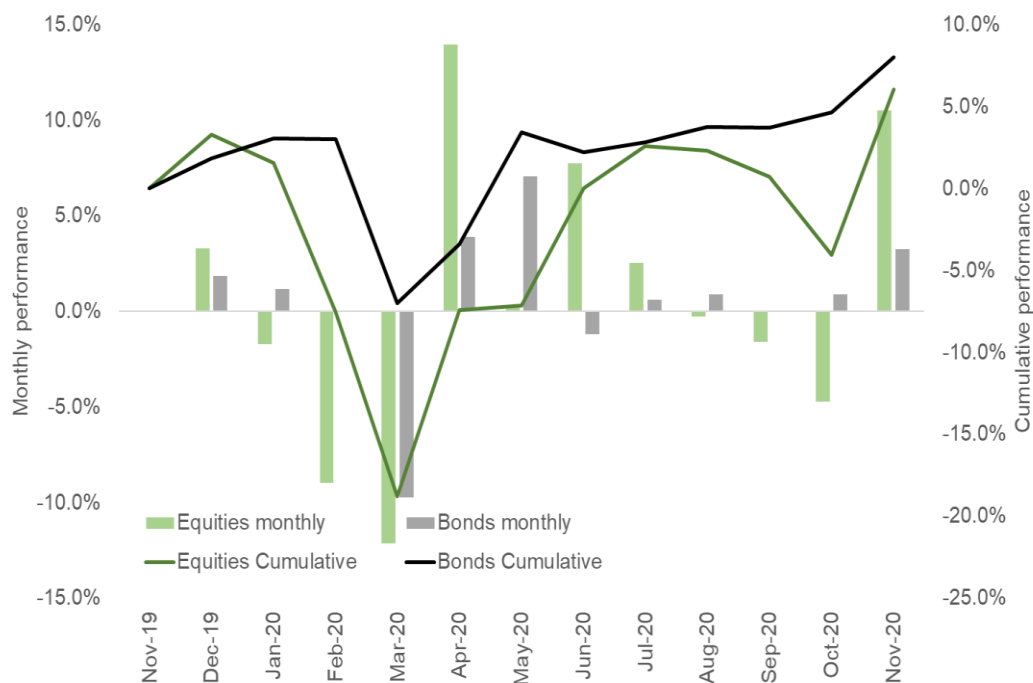
Scale:

Best performing asset class

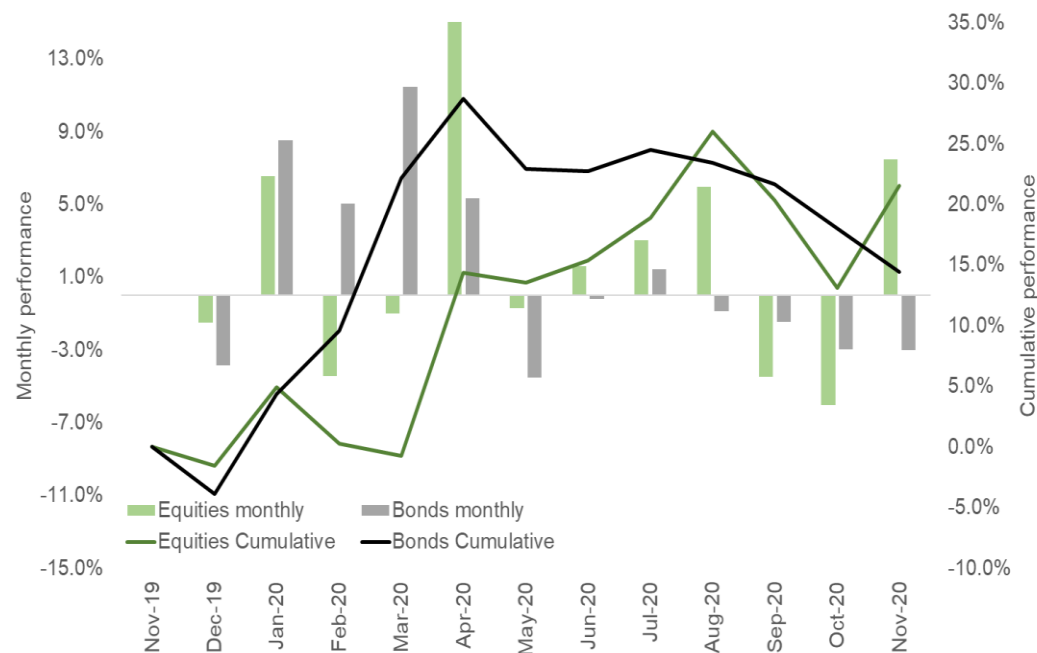
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



MARKET PERFORMANCE

Section B

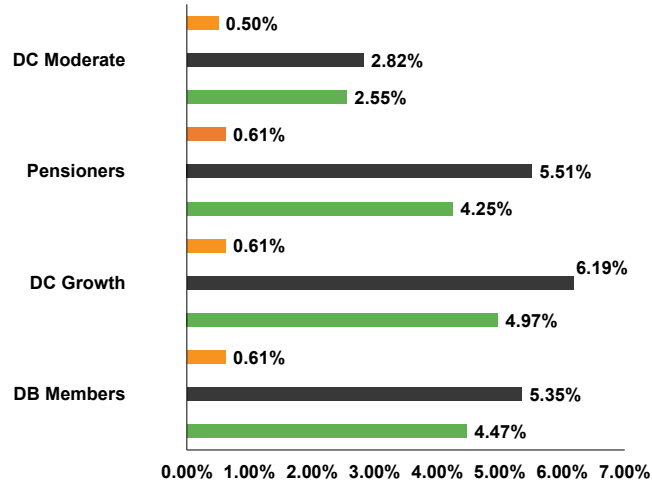
Fund Overview



EXECUTIVE SUMMARY

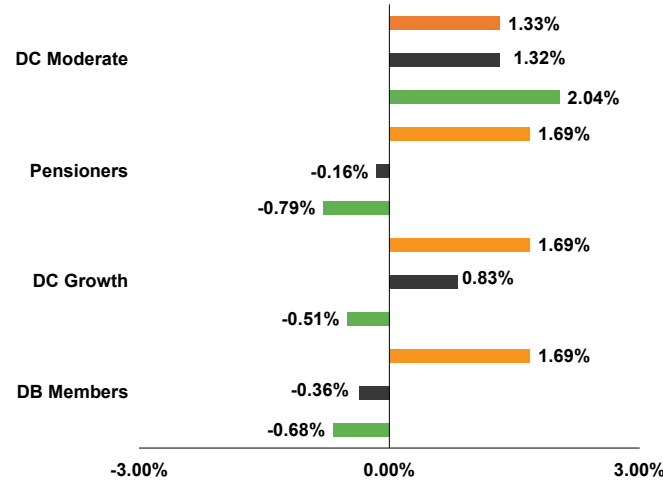


Monthly Return for November 2020



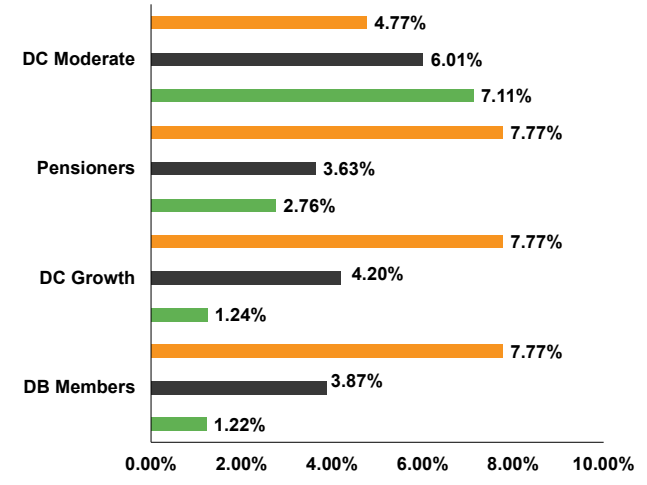
Investment objective | Benchmark | Portfolio

3 Months Return up to November 2020



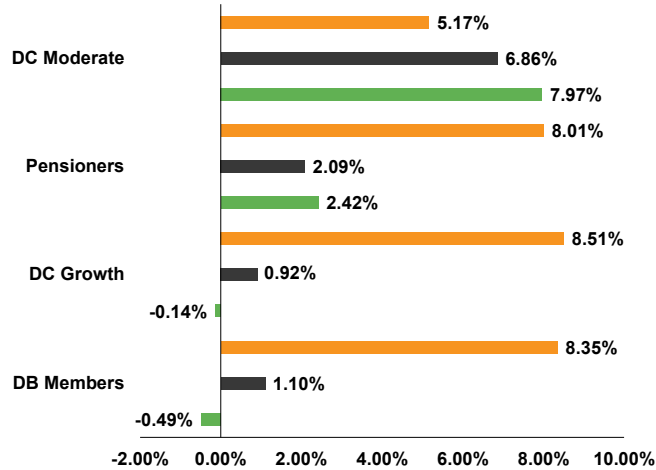
Investment objective | Benchmark | Portfolio

1 Year Return up to November 2020



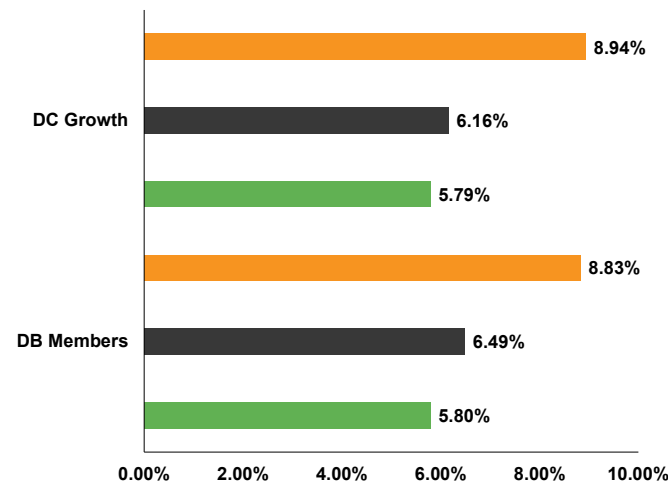
Investment objective | Benchmark | Portfolio

3 Year Return up to November 2020



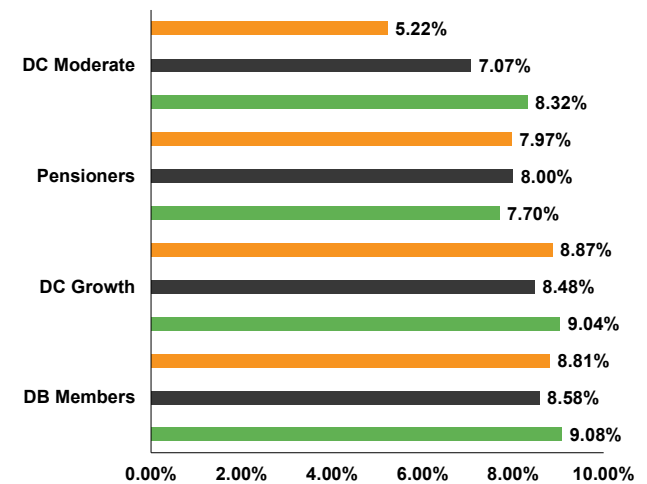
Investment objective | Benchmark | Portfolio

7 Year Return up to November 2020



Investment objective | Benchmark | Portfolio

Returns Since Inception

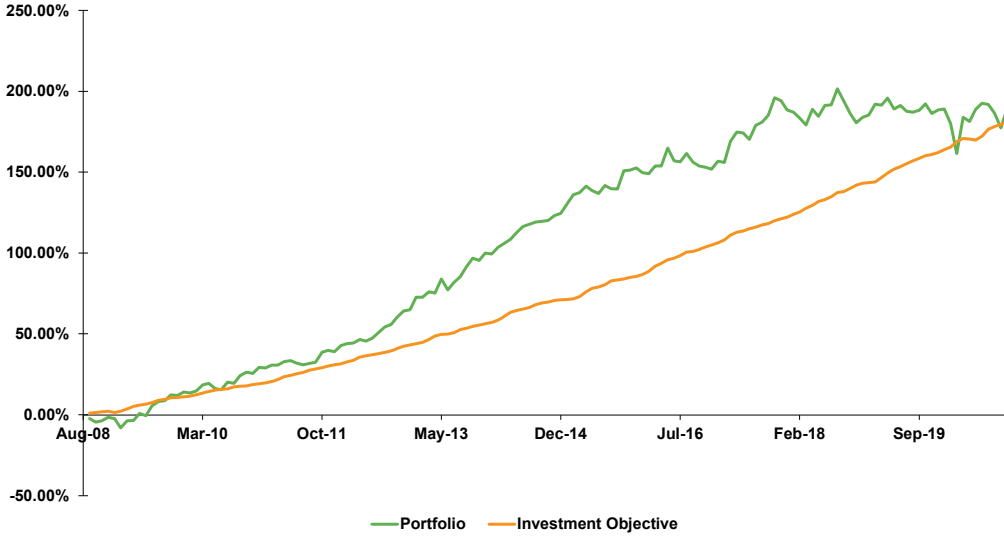


Investment objective | Benchmark | Portfolio

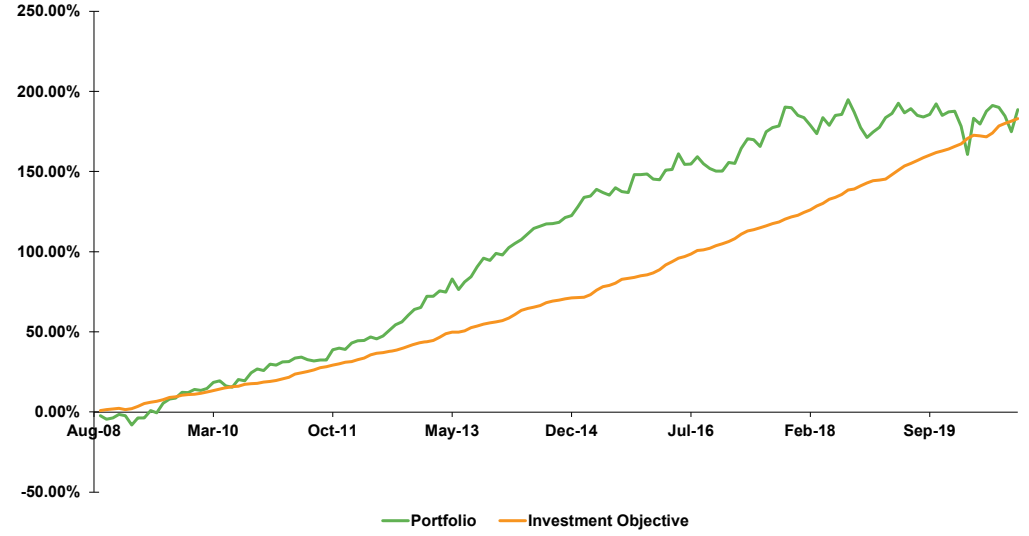
LONG TERM RETURNS

Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

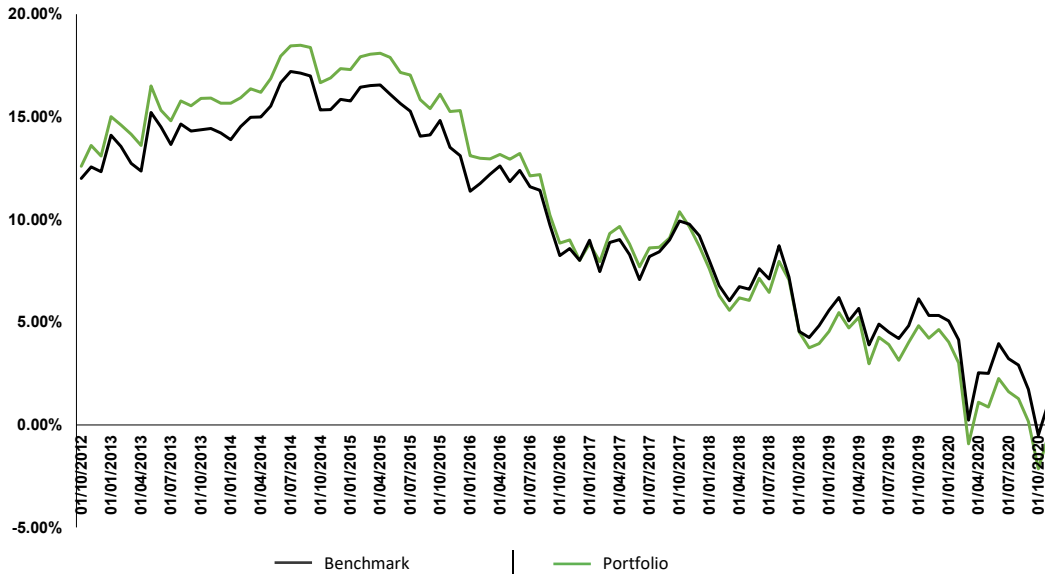
DB Members - Cumulative return since 30 September 2009



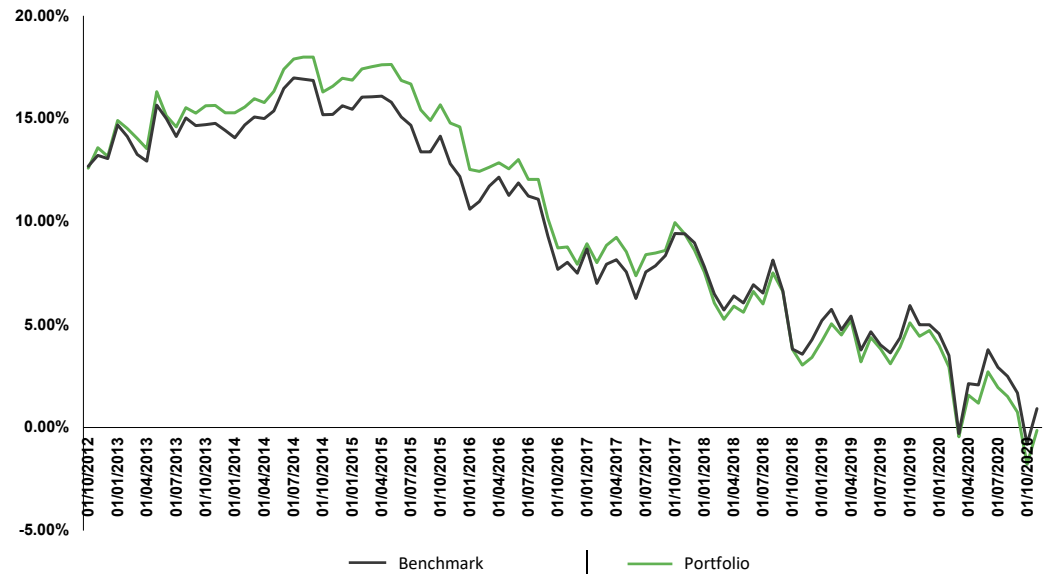
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



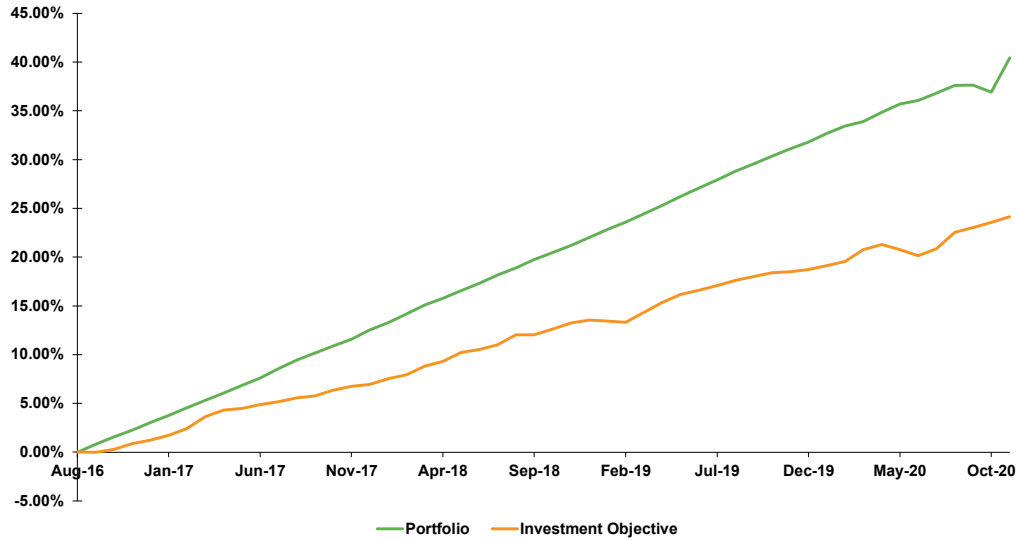
DC Growth - 3 Year Rolling Returns



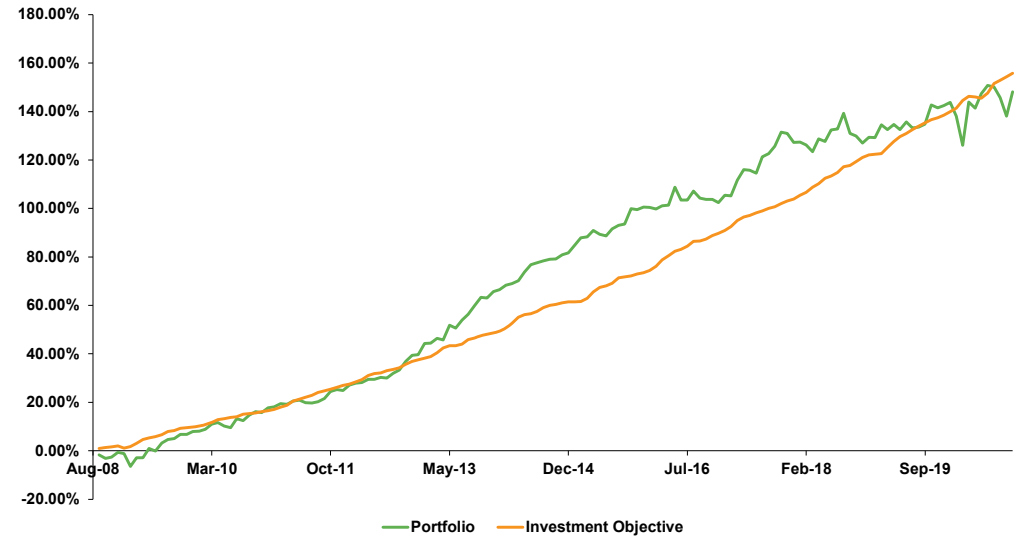
LONG TERM RETURNS

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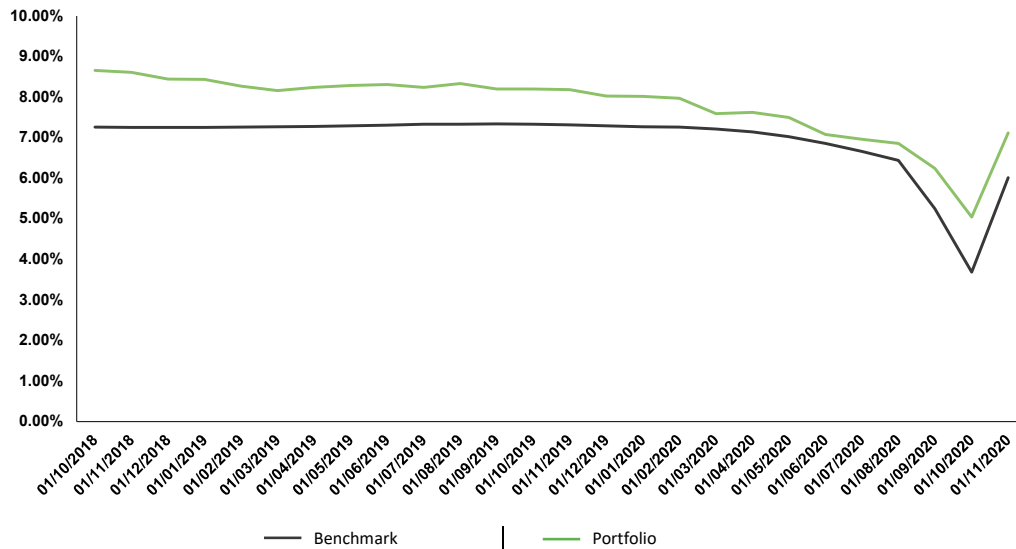
DC Moderate - Cumulative return since 30 September 2016



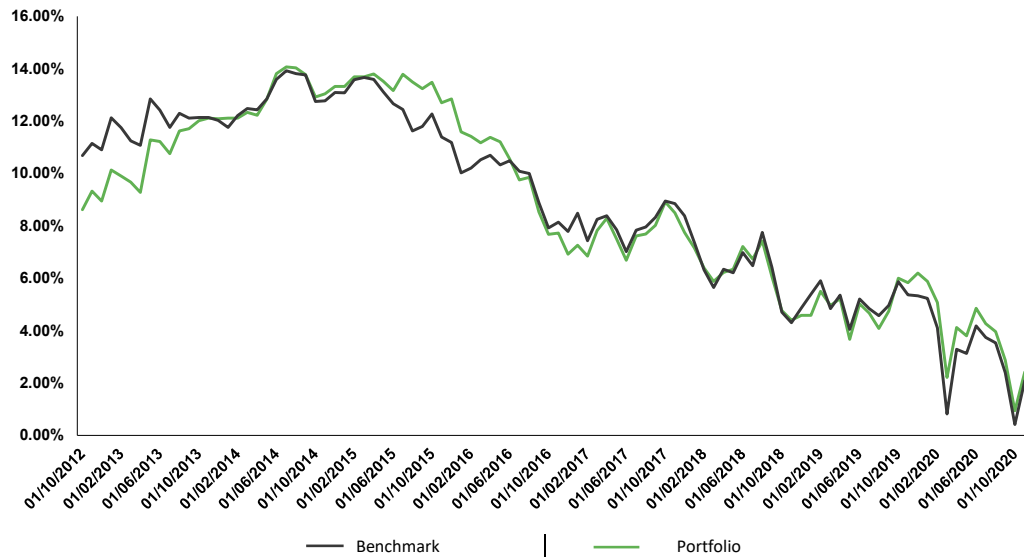
Pensioner - Cumulative return since 30 September 2016



DC Moderate - 1 Year Rolling Returns



Pensioner - 3 Year Rolling Returns



PORTFOLIO MARKET VALUES AND RETURNS

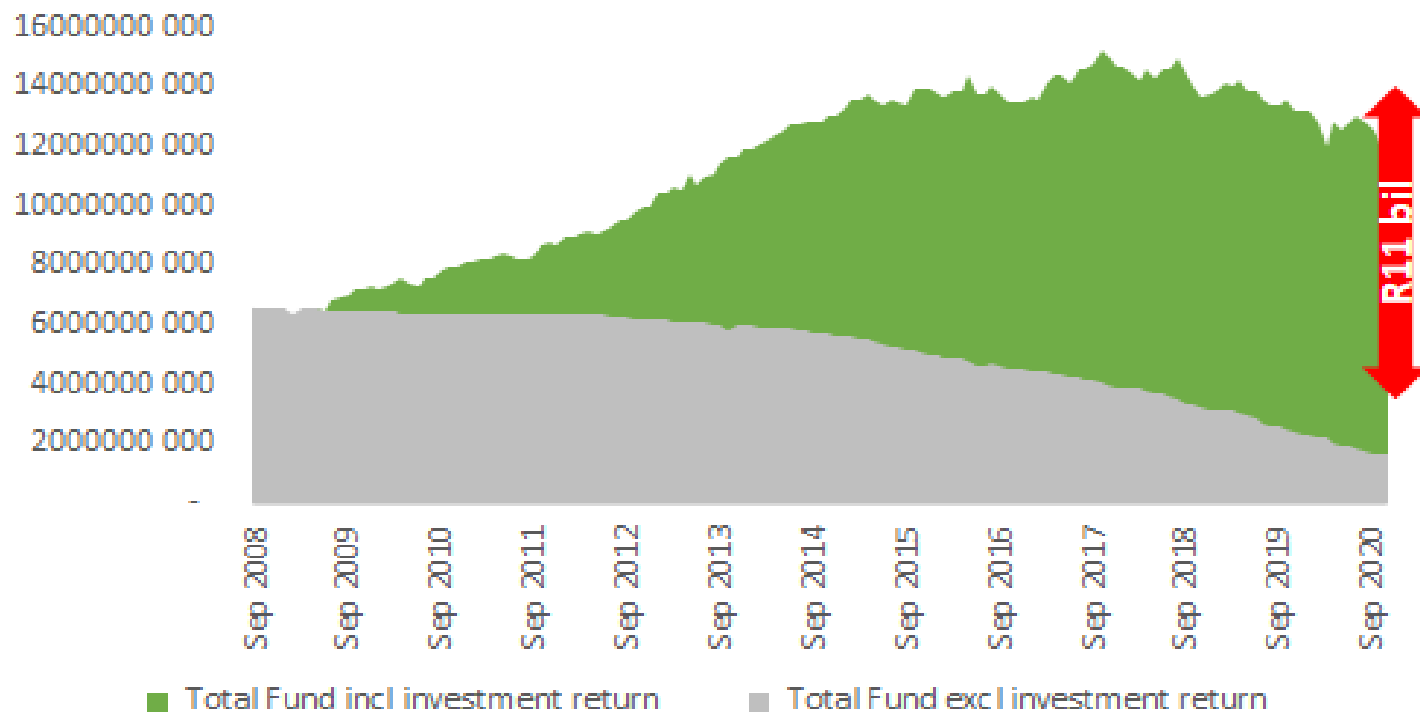
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	
DB Members	8 996 991 449	71.3%	4.5%	-0.7%	0.5%	1.2%	-0.5%	2.9%	
Strategic Benchmark			5.3%	-0.4%	3.4%	3.9%	1.1%	4.4%	
			-0.9%	-0.3%	-2.9%	-2.7%	-1.6%	-1.5%	
DC Growth	1 602 468 540	12.7%	5.0%	-0.5%	0.5%	1.2%	-0.1%	3.1%	
Strategic Benchmark			6.2%	0.8%	3.6%	4.2%	0.9%	4.2%	
			-1.2%	-1.3%	-3.2%	-3.0%	-1.1%	-1.1%	
DC Moderate	286 083 501	2.3%	2.6%	2.0%	6.5%	7.1%	8.0%	-	
Strategic Benchmark			2.8%	1.3%	5.4%	6.0%	6.9%	-	
			-0.3%	0.7%	1.1%	1.1%	1.1%	-	
Pensioner	1 737 718 560	13.8%	4.2%	-0.8%	2.3%	2.8%	2.4%	4.5%	
Strategic Benchmark			5.5%	-0.2%	3.1%	3.6%	2.1%	4.6%	
			-1.3%	-0.6%	-0.8%	-0.9%	0.3%	-0.1%	
			4.5%	-0.7%	0.5%	1.2%	-0.5%	2.9%	
DB Members			0.6%	1.7%	7.3%	7.8%	8.3%	8.8%	
Objective			3.9%	-2.4%	-6.8%	-6.6%	-8.8%	-5.9%	
			5.0%	-0.5%	0.5%	1.2%	-0.1%	3.1%	
DC Growth			0.6%	1.7%	7.3%	7.8%	8.5%	8.9%	
Objective			4.4%	-2.2%	-6.8%	-6.5%	-8.6%	-5.8%	
			2.6%	2.0%	6.5%	7.1%	8.0%	-	
DC Moderate			0.5%	1.3%	4.6%	4.8%	5.2%	-	
Objective			2.1%	0.7%	2.0%	2.3%	2.8%	-	
			4.2%	-0.8%	2.3%	2.8%	2.4%	4.5%	
Pensioner			0.6%	1.7%	7.3%	7.8%	8.0%	8.2%	
Objective			3.6%	-2.5%	-4.9%	-5.0%	-5.6%	-3.7%	
12 623 262 050	100%								

LONG TERM RETURNS

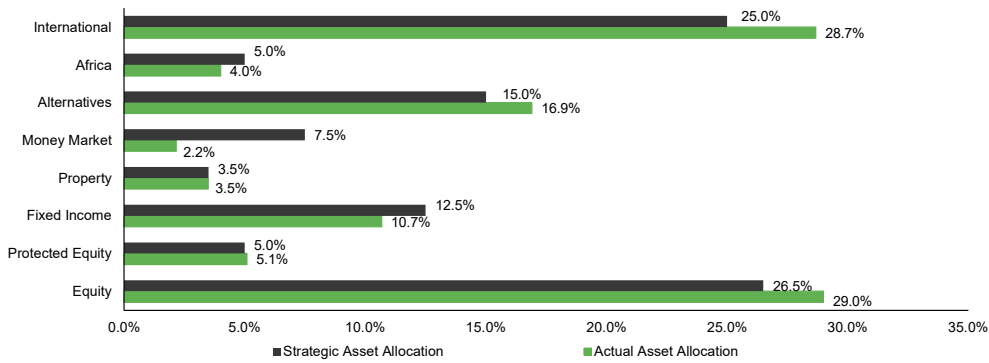
Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

Estimate Value Added through Investment Returns since Inception

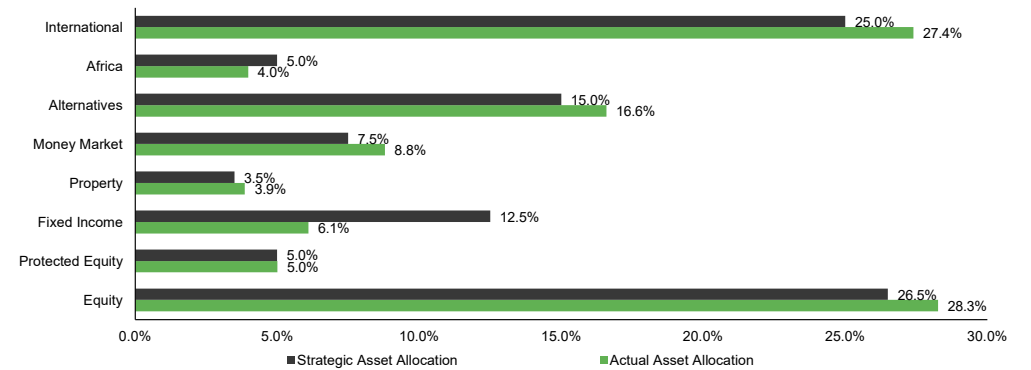


ASSET ALLOCATION

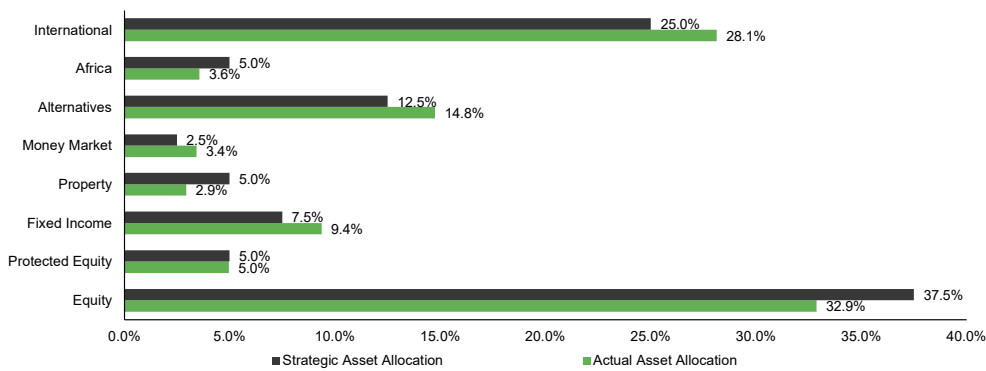
DB Members



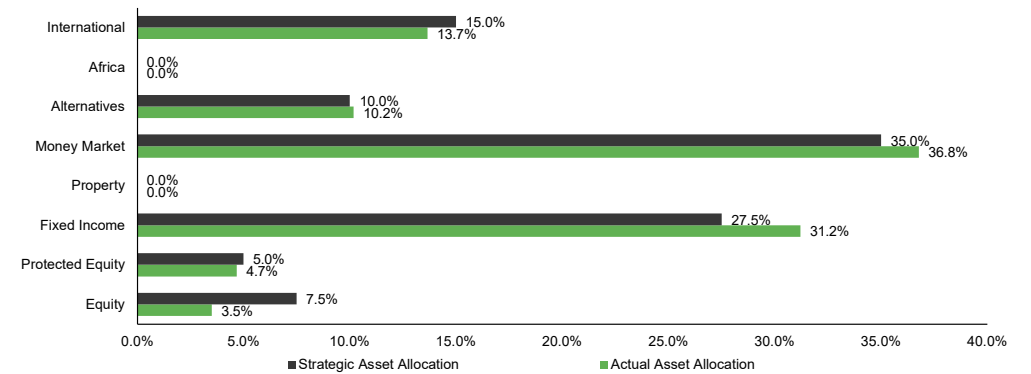
Pensioner



DC Growth



DC Moderate



MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Equity	All Weather Equity	2018/10/31	466 801 677.69	3.7%	10.1%	5.1%	-0.5%	-	-	-0.4%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
					-0.3%	0.5%	1.2%	-	-	-1.7%
	Aluwani Capital Equity	2018/10/31	605 843 751.59	4.8%	10.9%	5.1%	-0.5%	-	-	2.2%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
				0.5%	0.5%	1.2%	-	-	0.9%	
Equity	Argon Equity	2018/10/31	360 177 526.51	2.9%	10.9%	3.7%	-2.4%	-	-	0.8%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
					0.5%	-0.8%	-0.7%	-	-	-0.5%
Equity	Satrix Equity	2018/10/31	392 085 796.55	3.1%	10.2%	4.5%	-2.1%	-	-	2.1%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
					-0.2%	-0.1%	-0.4%	-	-	0.9%
Equity	Vunani Equity	2018/10/31	860 222 069.21	6.8%	10.4%	4.3%	-2.5%	-	-	1.2%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
Equity Incubation	Mianza Equity	2018/10/31	469 827 951.90	3.7%	11.6%	5.5%	-4.0%	-	-	0.9%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
					1.2%	0.9%	-2.3%	-	-	-0.4%
Equity Incubation	Balondolzi Equity	2018/10/31	480 948 048.69	3.8%	9.5%	2.0%	-0.4%	-	-	0.9%
	JSE Capped Share Weighted Index				10.4%	4.6%	-1.7%	-	-	1.3%
					-0.9%	-2.6%	1.3%	-	-	-0.4%
Protected Equity	Mergence Structured Product	2020/02/29	638 787 441.71	5.1%	8.2%	2.6%	-	-	-	16.3%
	JSE All Share Index Top 40				10.3%	2.2%	-	-	-	8.8%
					-2.2%	0.4%	-	-	-	7.5%

MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Fixed Income	Futuregrowth Infrastructure Bond All Bond Index	2008/08/31	947 775 716.87	7.5%	3.7%	4.8%	7.3%	10.4%	9.4%	10.8%
					3.3%	4.1%	8.0%	10.0%	8.4%	8.8%
	Stanlib Bond All Bond Index	2008/08/31	358 970 816.54	2.8%	3.7%	5.1%	9.2%	10.5%	9.3%	9.6%
					3.3%	4.1%	8.0%	10.0%	8.4%	8.8%
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.3%	-	-	-	-	-	-
					-	-	-	-	-	-
	Meago Property Listed Property	2012/08/31	268 236 606.35	2.1%	17.8%	3.4%	-43.6%	-23.0%	-11.4%	-1.0%
					17.5%	4.3%	-41.2%	-21.9%	-11.1%	-1.7%
Money Market	Sanlam Cash STEFI Composite	2010/09/30	333 590 361.49	2.6%	0.2%	0.8%	5.8%	7.8%	8.3%	7.5%
					0.3%	1.0%	5.7%	6.7%	7.0%	6.4%
	Transition Account	2009/02/28	3 098 919.89	0.0%	-	-	-	-	-	-
					-	-	-	-	-	-
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	170 591 019.89	1.4%	0.3%	1.2%	5.9%	-	-	6.3%
					0.3%	1.0%	5.7%	-	-	6.5%
					0.0%	0.2%	0.3%	-	-	-0.2%
Alternatives	Mayibentsha Focused CPI + 4.5%	2011/07/31	488 345 027.26	3.9%	3.6%	3.6%	12.1%	7.2%	4.1%	7.6%
					0.6%	1.7%	7.8%	8.5%	9.2%	9.5%
					3.0%	1.9%	4.3%	-1.3%	-5.0%	-1.9%
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	431 214 396.87	3.4%	1.6%	2.6%	9.6%	7.8%	7.1%	7.8%
					0.5%	1.2%	5.8%	6.5%	7.2%	7.5%
					1.2%	1.4%	3.9%	1.3%	-0.1%	0.2%
Mayibentsha Moderate CPI + 3.5%	2008/08/31	331 255 516.16	2.6%	2.6%	2.9%	12.4%	7.9%	6.3%	8.5%	
				0.5%	1.4%	6.8%	7.5%	8.2%	8.4%	
				2.0%	1.5%	5.6%	0.4%	-1.8%	0.1%	

MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Alternatives Incubation	Terebinth Capital STEFI	2020/01/31	57 495 703.77	0.5%	6.1%	9.9%	-	-	-	15.0%
					0.3%	1.0%	-	-	-	6.5%
					5.8%	8.9%	-	-	-	8.5%
	Sampada Private Equity NO BENCHMARK	2015/09/30	235 716 682.18	1.9%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2 NO BENCHMARK	2019/01/31	285 211 302.85	2.3%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Africa	Legacy Africa Hurdle Rate	2020/01/31	152 886 425.18	1.2%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Tamela Capital NO BENCHMARK	2020/01/31	-	0.0%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Africa	Boxwood Property Fund Hurdle Rate (CPI +3%)	2020/03/31	39 517 108.92	0.3%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Summit Africa Hurdle Rate (CPI +5%)	2019/11/30	52 789 012.93	0.4%	-	-	-	-	-	-
				-	-	-	-	-	-	
				-	-	-	-	-	-	
International	Novare Africa Property Fund 1 10% in USD	2010/07/31	366 472 544.46	2.9%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Novare Africa Property Fund 2 10% in USD	2014/07/31	120 038 762.03	1.0%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
International	Novare Global Balanced 60% Equity / 40% Bonds	2008/08/31	3 545 661 838.83	28.1%	1.9%	-3.9%	11.2%	6.1%	6.4%	11.2%
					3.2%	-5.2%	18.0%	11.3%	8.9%	11.1%
					-1.2%	1.3%	-6.8%	-5.2%	-2.5%	0.1%
			12 623 262 050	100%						

"The private equity and unlisted property portfolios will be measured and reported on in a separate report."

ASSET ALLOCATION

Asset Class	Manager	DB Members	DC Growth	DC Moderate	Pensioner	Total Fund
Equity	All Weather Equity	287 418 771.4	114 553 593.0	1 432 676.5	63 396 636.7	466 801 677.7
	Aluwani Capital Equity	454 098 696.8	129 696 196.5	1 433 787.4	20 615 070.9	605 843 751.6
	Argon Equity	228 028 091.6	110 389 490.4	1 415 085.3	20 344 859.2	360 177 526.5
	Balondolozzi Equity	349 977 439.4	104 207 004.2	1 407 825.9	25 355 779.2	480 948 048.7
	Mianzo Equity	337 701 733.7	22 507 596.8	1 455 715.2	108 162 906.3	469 827 951.9
	Satrix Equity	261 077 444.8	25 124 120.8	1 441 040.6	104 443 190.4	392 085 796.6
Protected Equity	Vunani Equity	689 712 092.4	20 207 597.7	1 425 028.0	148 877 351.1	860 222 069.2
	Mergence Structured Product	458 889 454.8	79 457 663.2	13 390 026.4	87 050 297.3	638 787 441.7
Fixed Income	Futuregrowth Infrastructure Bond	716 340 153.4	111 738 965.7	44 615 882.5	75 080 715.3	947 775 716.9
	Stanlib Bond	244 972 569.7	38 403 143.2	44 663 235.9	30 931 867.7	358 970 816.5
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3
	Meago Property	186 361 658.6	47 125 553.6		34 749 394.2	268 236 606.4
Money Market	Cartesian Capital Money Market	62 979 002.6	24 642 905.4	57 568 298.7	25 400 813.3	170 591 019.9
	Sanlam Cash	128 353 611.2	30 216 075.8	47 658 094.6	127 362 579.9	333 590 361.5
Alternatives	Transition Account	3 098 919.9				3 098 919.9
	Mayibentsha Focused	358 395 182.1	56 463 758.6	7 288 047.9	66 198 038.7	488 345 027.3
	Mayibentsha Market Neutral	313 531 088.3	49 989 665.0	7 221 837.9	60 471 805.7	431 214 396.9
	Mayibentsha Moderate	206 123 891.0	56 235 224.4	7 243 167.2	61 653 233.5	331 255 516.2
	Terebinth Capital	44 687 731.2	1 440 921.8	7 371 983.7	3 995 067.1	57 495 703.8
	Tamela Capital	-	-			-
	Legacy Africa	137 865 793.4	4 397 380.8		10 623 251.0	152 886 425.2
	Sampada Private Equity	182 945 715.1	22 219 313.7		30 551 653.4	235 716 682.2
	Sampada Private Equity 2	217 518 583.9	29 513 964.8		38 178 754.1	285 211 302.9
	Boxwood Property Fund	36 195 087.6	434 343.0		2 887 678.3	39 517 108.9
Africa	Summit Africa	23 397 896.2	15 671 196.6		13 719 920.1	52 789 012.9
	Novare Africa Property Fund 1	273 516 847.2	40 937 914.0		52 017 783.3	366 472 544.5
	Novare Africa Property Fund 2	86 732 835.8	16 158 127.9		17 147 798.4	120 038 762.0
International	Novare Global Balanced	2 579 753 613.4	450 736 822.7	39 051 766.9	476 119 635.8	3 545 661 838.8
Total Fund		8 996 991 449.0	1 602 468 539.5	286 083 500.6	1 737 718 560.5	12 623 262 049.6

Section C

Glossary



INVESTMENT GLOSSARY

ALTERNATIVE INVESTMENTS

Any non-traditional asset class. Investing in these generally provides a portfolio with greater diversification.

ANNUALISED RETURN

Where a cumulative return is over a period greater than a year, an annualised return is what the return is when converted into annual periods. For example, if the cumulative return over a 3-year period was 6%, the annualised return would be approximately 2% p.a. It means the investment earned an effective return of around 2% each year over the 3-year period (to arrive at the 6%).

ASSET CLASS

A type of investment, such as equities, bonds, cash, private equity etc.

BENCHMARK

What a portfolio, asset class or investment manager is judged against.

BENCHMARK PERFORMANCE

The performance return of an investment manager's benchmark or a Fund's strategic asset allocation.

BOND

A bond is issued by a company or country where it borrows money from the market, with a promise to repay it back. Bonds are characterised by what interest is paid back each year, and how long the term of the bond is.

CPI

Consumer price index. It is commonly used to identify periods of inflation or deflation.

CREDIT RATING

The rating given by a credit-rating agency, based on its view of the financial wellbeing of a company or country and the likelihood of default (i.e. inability to meet debt obligations). The highest rating is usually AAA, and the lowest is D.

CRISA

Code of Responsible Investing in South Africa.

CUMULATIVE RETURN

The aggregated return of an investment over a particular time-period.

DERIVATIVES

A derivative is a security of which the price is dependent upon or derived from one or more underlying assets.

EQUITY

Referring to the asset class, equity describes the ownership of a company. An individual or financial institution can own part of the company by buying equity shares or stocks. These are generally traded on a stock exchange, such as the Johannesburg Stock Exchange.

FUND OBJECTIVE

The investment objective that a Fund portfolio is trying to achieve. This is generally a return in excess of CPI. E.g. CPI + 3% per annum.

INVESTMENT GLOSSARY

HEDGE FUND

A type of alternative asset class. Here the investment manager generally invests in traditional asset classes, but has more tools to express their view of the market. Hedge funds look to protect capital in times of market falls and offer diversification from traditional asset classes.

INDEX

A benchmark measure to gauge how an asset class has performed. For example, the JSE All Share index is a measure to gauge how South African equities have performed.

INFLATION

The increase (or decrease) in the price of goods. For example, if inflation over the year was 5%, this means that prices rose by 5% over the period.

INTERNATIONAL

The assets of a Fund that are invested outside of South Africa. Exposure is limited to 25% per Regulation 28 of the Pension Fund, or 30% subject to 5% being invested in Africa.

INVESTMENT OBJECTIVE

The target that an investment fund or portfolio is trying to achieve.

INVESTMENT POLICY STATEMENT (IPS)

A document which sets out the investment aspects of the Fund, including its Fund objectives and describes the various strategies followed to meet them.

MONTHLY RETURN

The performance return over a month.

MANDATE

An investment manager's portfolio and objective.

OVERWEIGHT

To have a higher allocation in a particular asset class or security than what the comparable benchmark indicates.

PERFORMANCE

How much the value of a portfolio or instrument has grown by over a particular period.

PRIVATE EQUITY

An alternative asset class where investors buy equity ownership of a company but where the equity is not listed on a stock exchange.

PROPERTY

An asset class where one invests in property either directly (i.e. buying a property) or indirectly (i.e. buying property shares on the stock exchange).

PROTECTED EQUITY

An asset class giving the investor exposure to equities, but whilst also offering protection against market falls.

INVESTMENT GLOSSARY

REGULATION 28

Refers to regulation 28 of the Pension Funds Act, i.e. the guidelines for South African retirement funds which is aimed at ensuring Funds are not taking on too much risk, by limiting the excessive use of specific investment instruments, markets and asset classes.

REPO RATE

The interest rate which the Reserve Bank lends money to the commercial banks. An increase in the repo rates puts pressure on commercial banks to increase the prime rate.

SHARPE RATIO

A statistical measure indicating the reward for taking on an additional unit of risk. A high positive value is ideal as it indicates that for the risk taken, positive returns were achieved.

STRATEGIC ASSET ALLOCATION

This is the target that a Fund portfolio should be invested in over the long term across various asset classes. The strategic asset allocations are designed to help meet the Fund objective.

TACTICAL ASSET ALLOCATION

These are deviations made away from the strategic asset allocation with the aim of enhancing performance based on views of the investment markets.

TRACKING ERROR

A statistical measure indicating the deviation or difference of a portfolio's return compared to its benchmark return.

TRADITIONAL ASSET CLASS

This generally refers to equities, bonds, cash and property

UNDERWEIGHT

To have a lower allocation in a particular asset class or security than what the comparable benchmark indicates.

VOLATILITY

A risk measure characterised by the standard deviation of portfolio returns. The higher the value, the higher expected risk.

YEAR-TO-DATE ("YTD")

The performance return since the beginning of the latest calendar year

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