



NOVARE[®]
actuaries & consultants

| **Monthly Report** |

SALA PENSION FUND

April 2022

TABLE OF CONTENTS

Section A: Market Overview

Section B: Fund Overview

Section C: Glossary



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



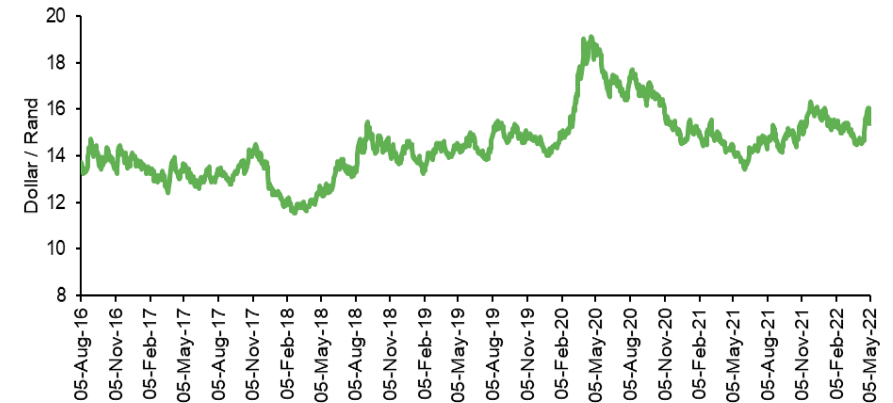
Local equities (ALSI), delivered a total return of -3.6% m/m in April, with listed property returning -1.4% m/m. The ALBI recorded a total return of -1.7% m/m, and cash returned 0.3% m/m. Non-residents were net sellers of both South African bonds and equities in April. The Rand maintained its reputation for volatility, and after starting April at R14.61 against the US dollar, it ended the month at R15.79 — a very dramatic 118 cents weaker m/m (-8.1%). The currency also weakened against the Euro at R16.68 (-3.1% m/m), the Pound at R19.88 (-3.6% m/m) and the Renminbi at 2.39 (-3.6% m/m).

The weakness was due to concerns over the size, and pace of Federal Open Market Committee (FOMC) interest rate hikes in the US. The second half of April also saw a negative impact on South Africa (SA's) trade balance from the extreme floods in KwaZulu-Natal (KZN) and disruptions to exports, which would have had a negative effect on the Rand.

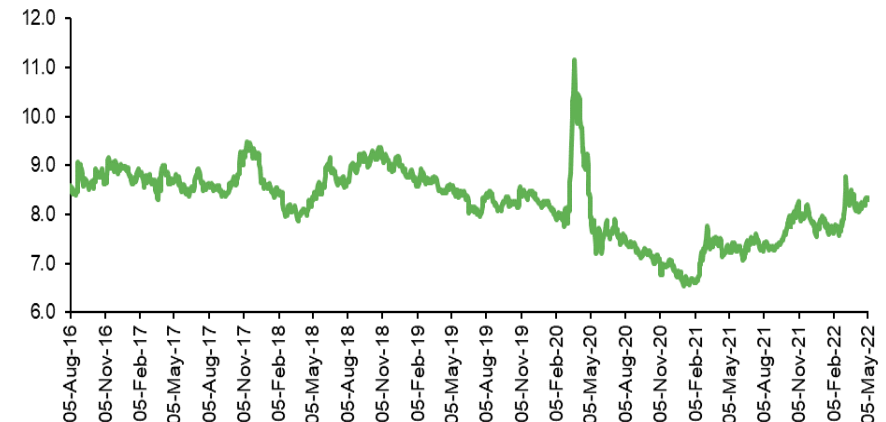
The Absa PMI fell to 50.7 in April '22. This is the lowest level of the PMI since July '21 when unprecedented looting and rioting shook local production and demand. As was the case then, the decline in the headline PMI was due to a drop in the business activity and new sales orders indices, this time amid devastating flooding in parts of KZN.

The preliminary tax revenue data published by SARS showed that total tax revenue was better than the 2022 Budget and 2021 Medium Term Budget Policy Statement (MTBPS) estimates by R16.7bn and R78.4bn, respectively. The better-than-expected performance is attributed to a strong rebound in economic activity, administrative efficiencies as well as government's extended social assistance and tax relief measures.

Rand



S.A. 10-Year Government Benchmark Yield



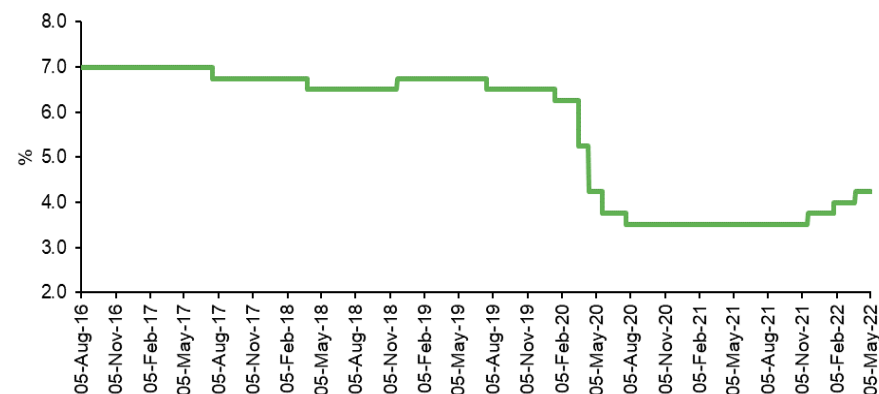
DOMESTIC MARKET VIEW

SA's recovery to pre-pandemic levels is expected to be disrupted by lower-than-expected global growth because of the ongoing war in Ukraine and a faster pace of monetary policy accommodation withdrawal. Meanwhile, pre-existing structural constraints (especially electricity shortages, skills mismatch, and unemployment) continue to cap growth.

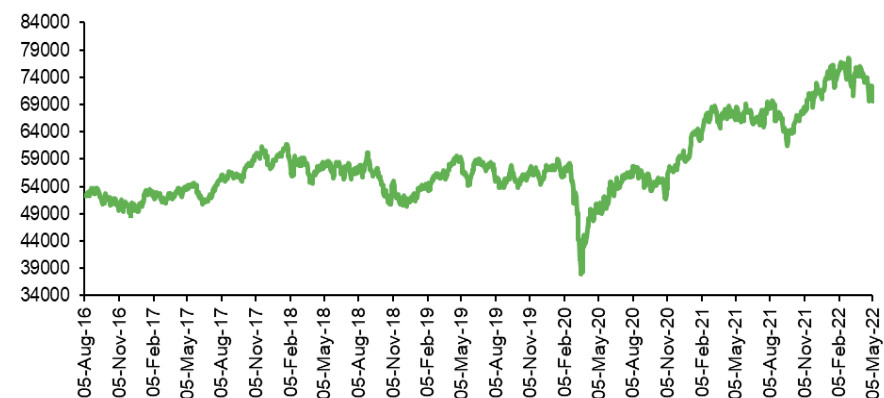
The World Bank mentioned in April that bold reforms are needed to boost export volumes and gain even more from favourable commodity prices while generating more and better jobs in the formal and informal sectors. This was also echoed in the National Planning Committee's (NPC) diagnostic report released in 2011 stating that too few South Africans are employed. The report aimed to identify the main challenges confronting the country and examine the underlying causes. Over a decade later nothing has changed. In fact, the labour market has deteriorated further.

From 2021, the recovery is expected to continue in 2022, with GDP growth expected at 2.1% and to average 1.7% over the medium term. The World Bank acknowledges that South Africa has made considerable strides to improve the wellbeing of its citizens since its transition to democracy in the mid-1990s but warns that progress has stagnated in the last decade. Structural challenges and weak growth have undermined progress in reducing poverty, which have been heightened by the Covid-19 pandemic.

Repo Rate



FTSE/JSE All Share Index

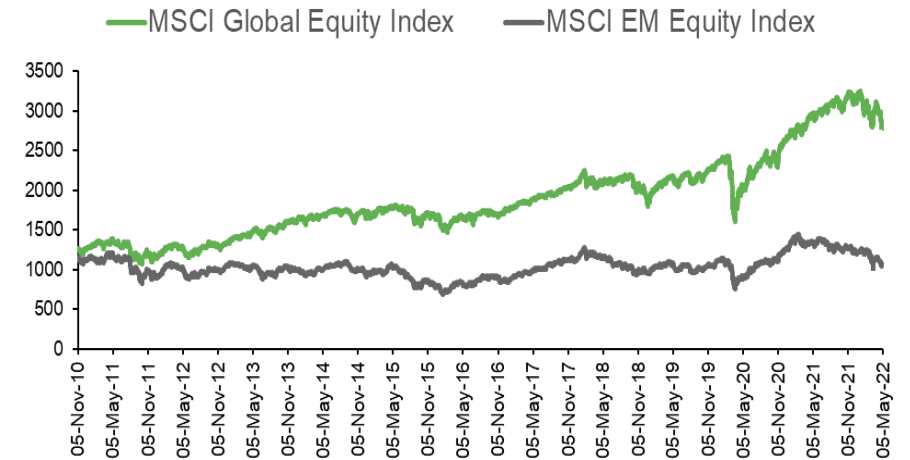


INTERNATIONAL MARKET VIEW

Financial markets early in the year were focused on risks to the inflation outlook and the implications for the global economy, especially because the US Fed had started admitting that inflation was indeed not transitory but sticky and elevated. Financial market participants were concerned that central banks in advanced economies would have to normalize policy more aggressively, causing a sharp tightening in financial conditions, especially in emerging markets.

The Russia/Ukraine war quickly overshadowed this and added to inflation worries. The war is also expected to significantly affect the global economy and financial markets beyond immediate financial stability risks. The severity of the disruptions in commodity markets and global supply chains, in general, will weigh heavily on the outlook for inflation, the global economy, and possibly macro-financial stability. Record-high food prices due to fears of supply disruptions could have implications for social unrest in some emerging market locations. Russian and Ukrainian assets have experienced the largest price declines, with dollar-denominated Russian and Ukrainian sovereign bonds pricing a very high probability of default and a low rate of recovery.

The impact of the conflict is now starting to become clearer in economic data. Labour markets continue to be the bright spot, with unemployment rates across both the UK and Eurozone sitting close to multi-decade lows. Yet, despite strong wage growth, consumer confidence in both the Eurozone and the UK has tumbled to levels consistent with a recession. April's flash purchasing managers' indices (PMIs) were a little more positive in the Eurozone, with the composite index rising to 55.8 despite a sharp fall in German manufacturing.



INTERNATIONAL MARKET VIEW

In the past few decades, the integrated nature of the global economy has meant that the task of policy normalization in a large, influential sovereign such as the U.S. became significantly more challenging. Moreover, the severity and scarring left by the Covid-19 pandemic continues to complicate the flight path.

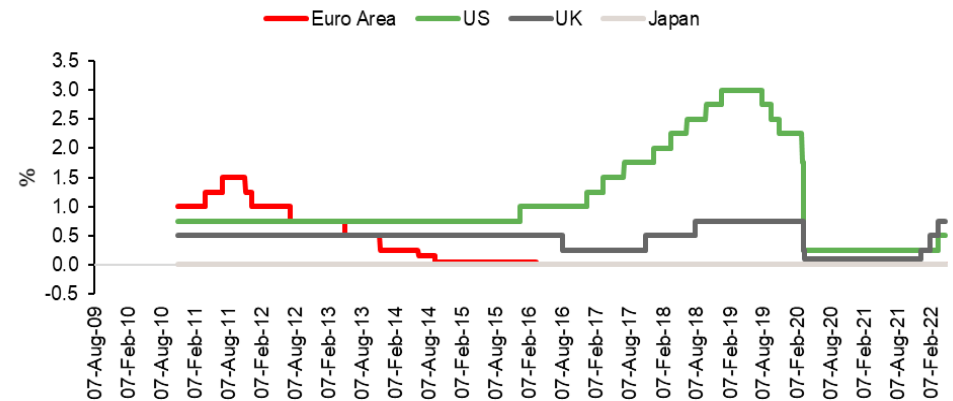
Global equities continued their recent decline, with the MSCI All Country World falling by -8.0% over the month. Growth stocks also saw substantial losses of -11.9%. Conversely, the commodity-heavy FTSE All-Share was a relative bright spot, returning 0.3% in April driven by the outperformance of commodities. Chinese equity markets came under further pressure, with the MSCI China index declining by -4.1% in April. Having kept Covid-19 under tight control for most of the past two years, Chinese authorities are now struggling to contain a major outbreak.

The global economy entered 2022 with strong tailwinds. While robust labour markets and large amounts of pent-up savings remain supportive, risks to the recovery are building, most notably in Europe. Central bankers face substantial challenges as they look to tighten policy to help bring inflation back down to target without tipping the economy into recession.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION

RSA BONDS

In the fixed income markets the ALBI returned -1.70% during April with the long end of the curve seeing the largest sell-off. The yield curve shifted higher in April with an increase in yields across the curve as the Rand weakened significantly.

The yield curve bear-steepened in April with an increase in yields of 20.5bp recorded for the shorter-dated R186, while the R2030 rose by 37bp. Yields jumped at the longer end of the curve, with the R2048 yield increasing by 40bp. The R186 returned -0.10% m/m, while the R2030 and the R2048 returned -1.25% m/m and -2.66% m/m respectively.

In the SA bond market, non-residents remained net sellers, with the R12.9bn outflow in April notably lower than March's R66.5bn outflow (according to Bloomberg data). This brings the cumulative outflow for the last 12 months to R241bn. We expect that SA bonds will continue to be driven by US rates and global risk sentiment.

We are becoming constructive on the asset class as we believe a lot of negative news has been priced in. The war will lead to higher inflation in SA but, even so, we see nowhere near the hikes that are being priced into the market. We have recently increased our bond allocation to a neutral position and will be looking to increase that further into any weakness.

RSA PROPERTY, ALTERNATIVES AND CASH

During March, listed property had a muted month, ending -1.41%. Sector fundamentals remain challenging but seem to be largely troughing and even turning in some instances. Rental growth will remain under pressure for some time given excess supply, particularly in the office sector. Property valuations appear to have bottomed after a sizeable decline in 2020 and 2021, hence balance sheet risk has been reduced. Dividends sustainability vastly improved as balance sheets have been restructured and current dividend streams are well cash covered by operational income. Much anticipated consolidation showing are also showing signs of realisation in the local SA listed property space.

We will be looking to increase our allocation to the asset class as we see some signs of normality returning to the local macro environment and on a basis of probability see more upside than downside risk.

In South Africa's money market, the 3-m JIBAR rate rose 3bp to end the month at 4.40%, while the 12-m JIBAR rate went up by 13bp to 6.53%. In the last 12 months, the rates are up 73bp and 203bp respectively. The 12-m T-bill average yield rose by 5bp to 6.15% at the end of April.

RSA EQUITIES

Local equities (ALSI), delivered a total return of -3.6% m/m in April, with listed property returning -1.4% m/m. The ALBI recorded a total return of -1.7% m/m, and cash returned 0.3% m/m.

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INTERNATIONAL

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market participants were concerned that central banks in advanced economies would have to normalize policy more aggressively, causing a sharp tightening in financial conditions, especially in emerging markets.

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The global economy entered 2022 with strong tailwinds. While robust labour markets and large amounts of pent-up savings remain supportive, risks to the recovery are building, most notably in Europe. Central bankers face substantial challenges as they look to tighten policy to help bring inflation back down to target without tipping the economy into recession.

NOVARE HOUSE VIEW: April 2022
TACTICAL POSITIONING*

	← UNDER-WEIGHT	ON-WEIGHT	→ OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight			
Equities	95%			85%
Bonds		100%		95%
Property	95%			85%
Alternatives		100%		100%
Cash		Balancing		100%
OFFSHORE			120%	120%
Equities	90%			80%
Bonds	70%			70%
Alternatives		100%		100%
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
-
--

TACTICAL ASSET ALLOCATION

Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	-8.0%	-8.3%	-12.8%	-5.0%	9.9%	10.0%
MSCI Emerging Markets	-5.5%	-10.4%	-12.1%	-18.1%	2.6%	4.7%
Global Bonds (R)	2.3%	-7.0%	-12.0%	-4.7%	2.3%	3.8%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	2.3%	20.0%	37.7%	60.5%	14.4%	15.5%
Platinum (USD/oz)	-5.4%	-7.8%	-3.1%	-21.8%	1.5%	-0.1%
Gold (USD/oz)	-1.8%	6.0%	3.7%	7.1%	13.9%	8.4%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	-3.7%	-0.8%	0.0%	13.2%	11.3%	9.8%
Domestic Bonds	-1.7%	-0.7%	0.2%	8.4%	7.6%	8.2%
Domestic Cash	0.4%	1.0%	1.4%	4.0%	5.2%	6.0%
Domestic Property	-1.4%	0.2%	-2.7%	12.2%	-5.3%	-5.2%
International Equity	-0.7%	-5.5%	-13.6%	5.7%	14.7%	14.4%
International Bonds	2.3%	-7.0%	-12.0%	-4.7%	2.3%	3.8%
Exchange rate (R / \$)	8.3%	2.8%	-0.8%	9.1%	3.4%	3.4%

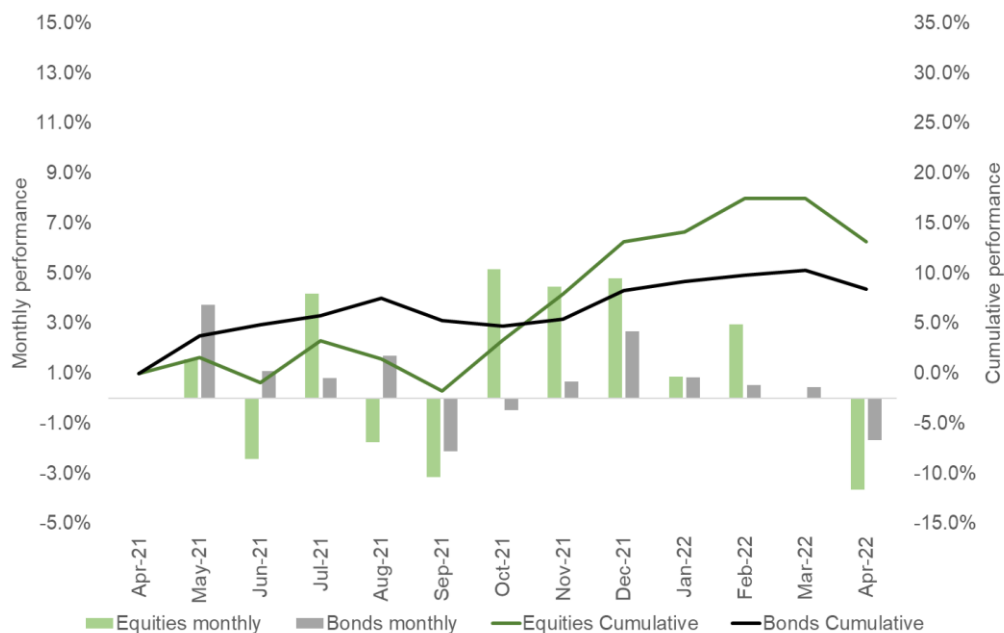
Scale:

Best performing asset class

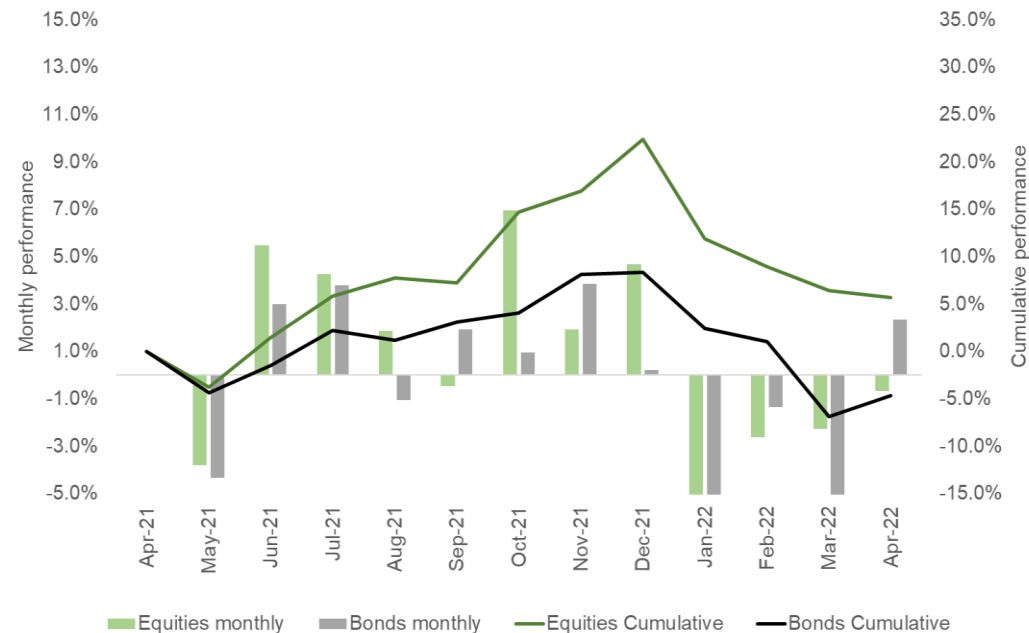
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

Fund Overview

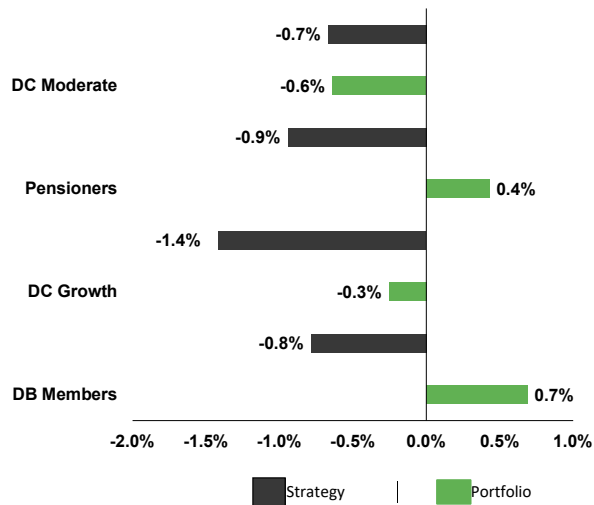


EXECUTIVE SUMMARY

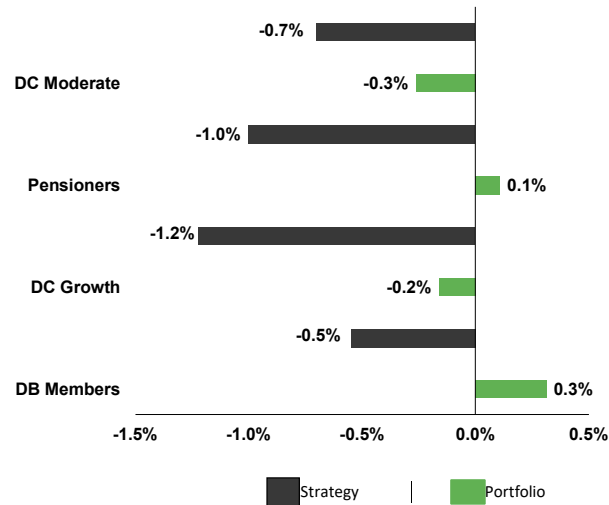
SHORT TERM RETURNS VERSUS STRATEGIES



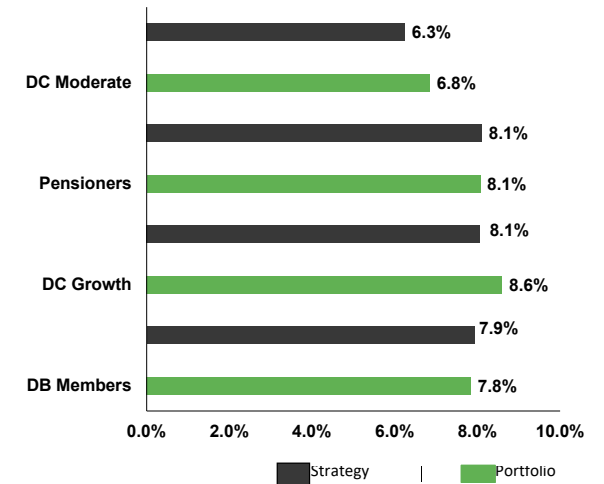
Monthly Return for April 2022



3 Months Return up to April 2022



1 Year Return up to April 2022



PORTFOLIO MARKET VALUES AND SHORT TERM RETURNS

The below sets out the portfolio returns of the funds over the short term periods in comparison with their respective strategies.

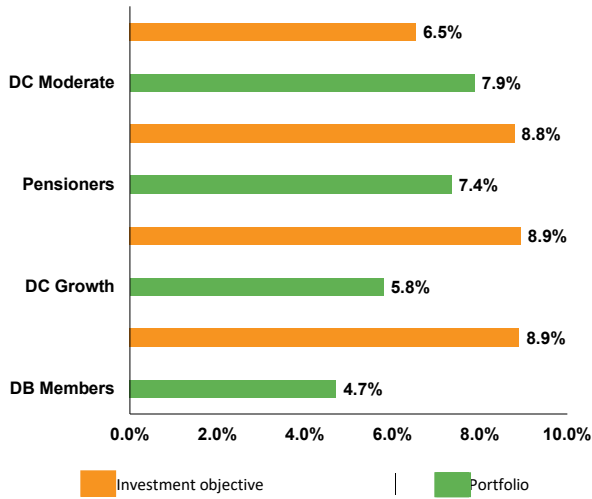
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 668 010 136	67.7%	0.7%	0.3%	-1.4%	7.8%
			-0.8%	-0.5%	-1.6%	7.9%
			1.5%	0.9%	0.2%	-0.1%
DC Growth Strategy	2 100 702 259	16.4%	-0.3%	-0.2%	-1.4%	8.6%
			-1.4%	-1.2%	-2.2%	8.1%
			1.2%	1.1%	0.7%	0.5%
DC Moderate Strategy	296 237 325	2.3%	-0.6%	-0.3%	-1.0%	6.8%
			-0.7%	-0.7%	-1.1%	6.3%
			0.0%	0.4%	0.1%	0.6%
Pensioner Strategy	1 745 682 583	13.6%	0.4%	0.1%	-1.4%	8.1%
			-0.9%	-1.0%	-2.1%	8.1%
			1.4%	1.1%	0.7%	0.0%
	12 810 632 303	100%				

EXECUTIVE SUMMARY

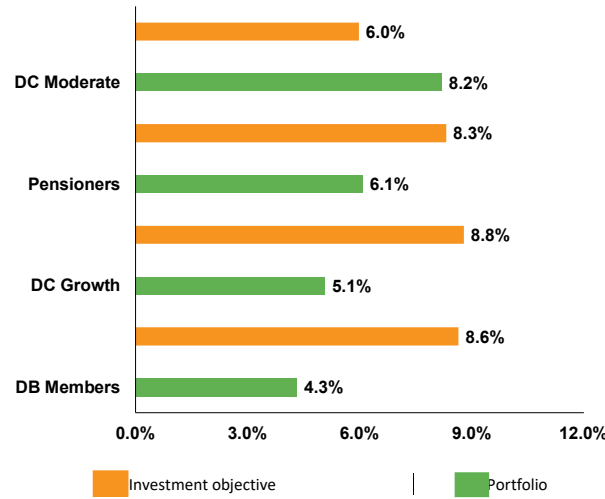
LONG TERM RETURNS VERSUS OBJECTIVES



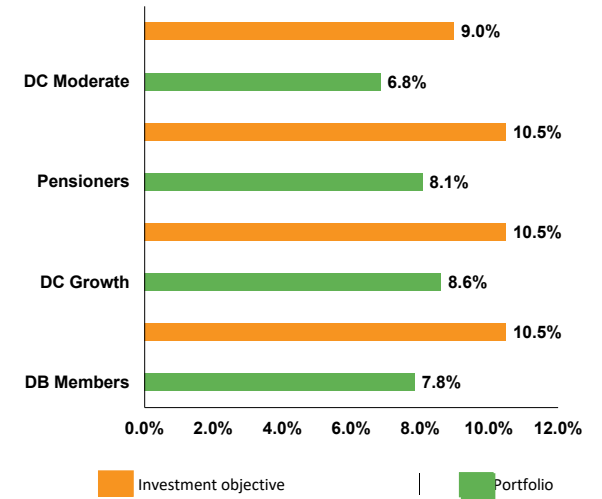
3 Year Return up to April 2022



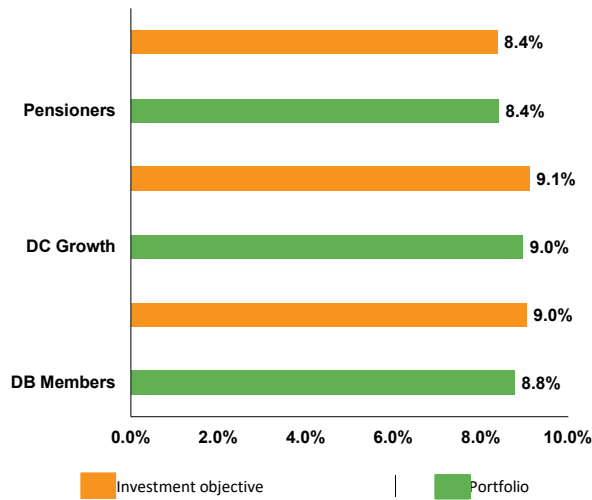
5 Year Return up to April 2022



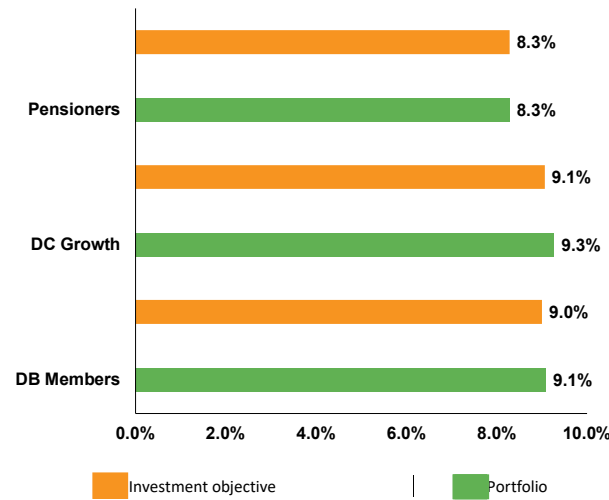
8 Year Return up to April 2022



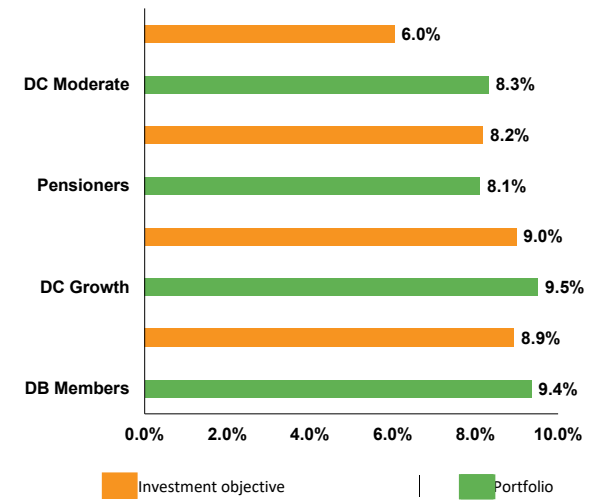
10 Year Return up to April 2022



12 Year Return up to April 2022



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

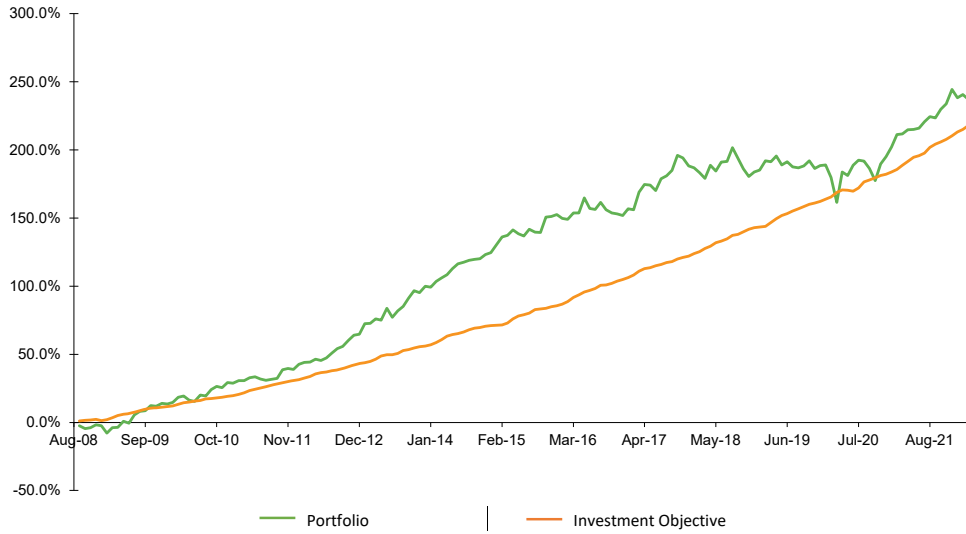
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	Market value (R)	Weight (%)	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	10 years (% p.a.)	12 years (% p.a.)	Since Inception
DB Members Objective	8 668 010 136	67.7%	4.7%	4.3%	6.3%	8.8%	9.1%	9.4%
			8.9%	8.6%	8.9%	9.0%	9.0%	8.9%
			-4.2%	-4.3%	-2.6%	-0.3%	0.1%	0.4%
DC Growth Objective	2 100 702 259	16.4%	5.8%	5.1%	6.6%	9.0%	9.3%	9.5%
			8.9%	8.8%	9.0%	9.1%	9.1%	9.0%
			-3.1%	-3.7%	-2.3%	-0.2%	0.2%	0.5%
DC Moderate Objective	296 237 325	2.3%	7.9%	8.2%	-	-	-	8.3%
			6.5%	6.0%	-	-	-	6.0%
			1.3%	2.2%	-	-	-	2.3%
Pensioner Objective	1 745 682 583	13.6%	7.4%	6.1%	6.9%	8.4%	8.3%	8.1%
			8.8%	8.3%	8.3%	8.4%	8.3%	8.2%
			-1.4%	-2.2%	-1.4%	0.0%	0.0%	-0.1%
	12 810 632 303	100%						

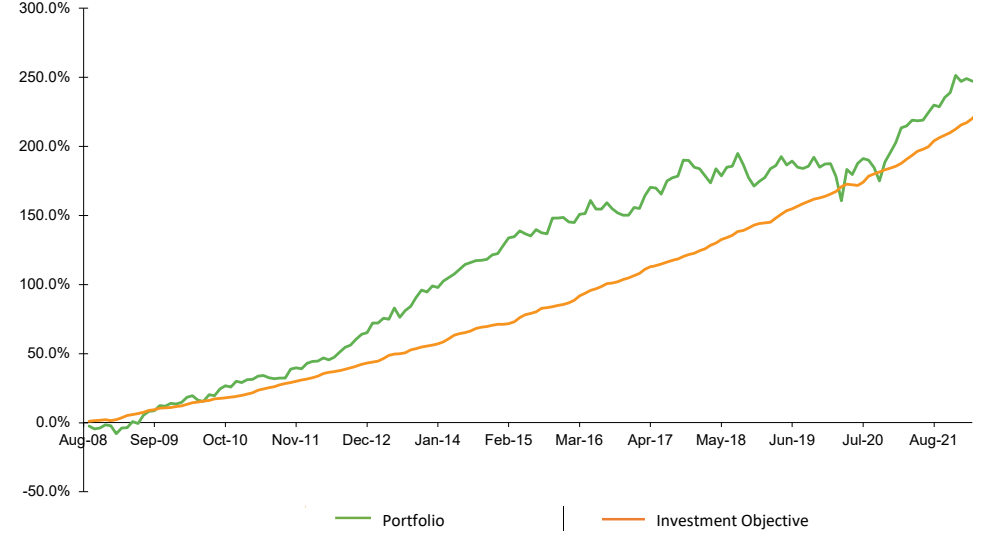
LONG TERM RETURNS

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.

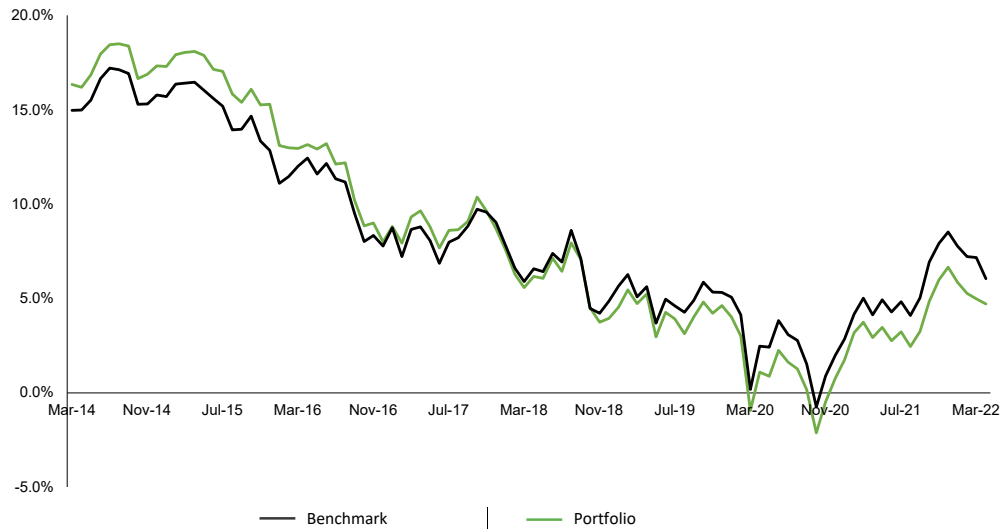
DB Members - Cumulative return since 30 September 2009



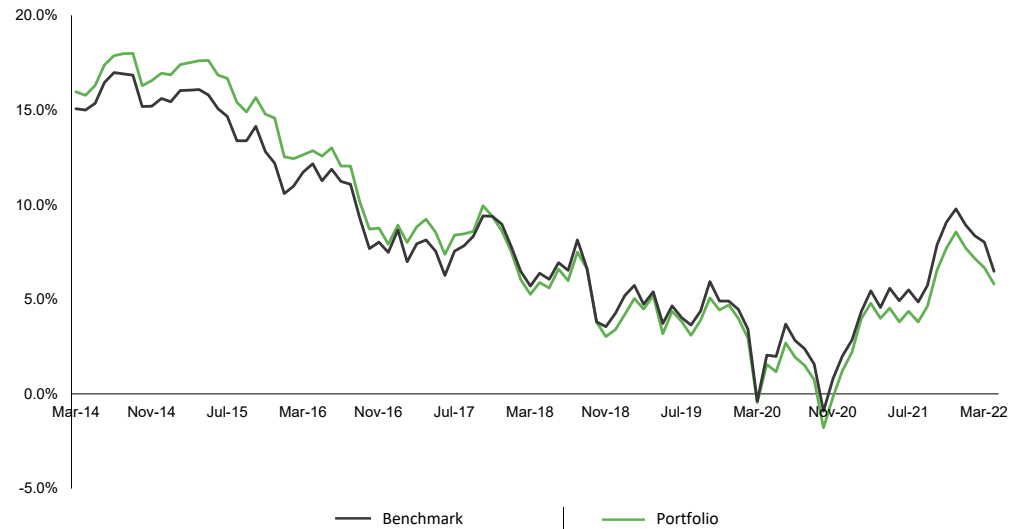
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



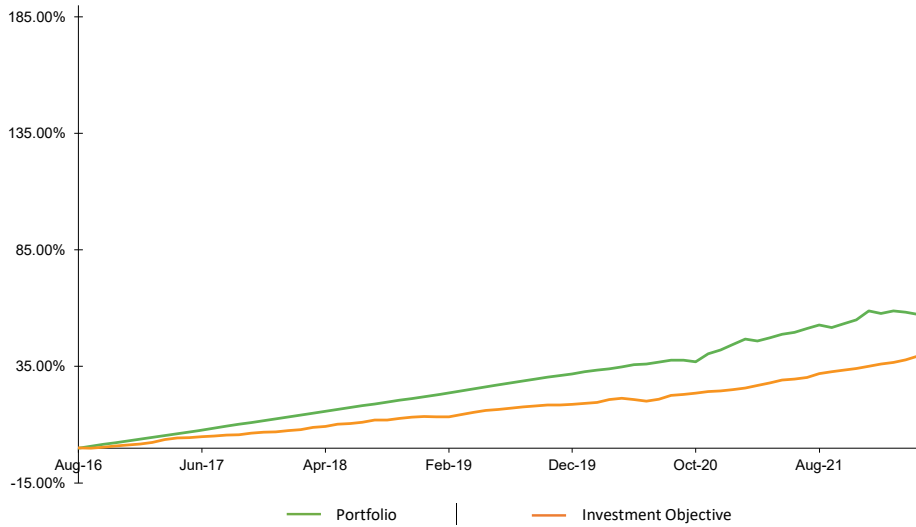
DC Growth - 3 Year Rolling Returns



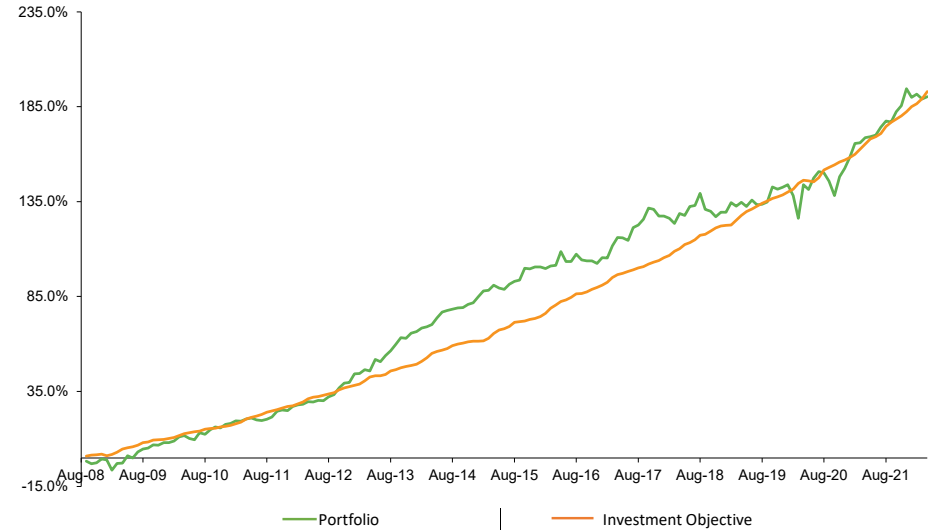
LONG TERM RETURNS

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.

DC Moderate - Cumulative return since 30 September 2016



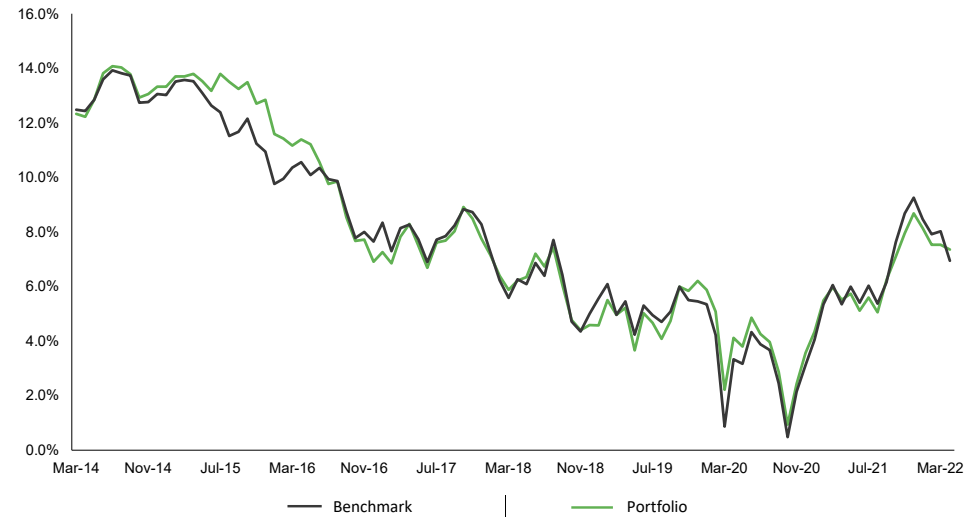
Pensioner - Cumulative return since 31 August 2008



DC Moderate - 1 Year Rolling Returns

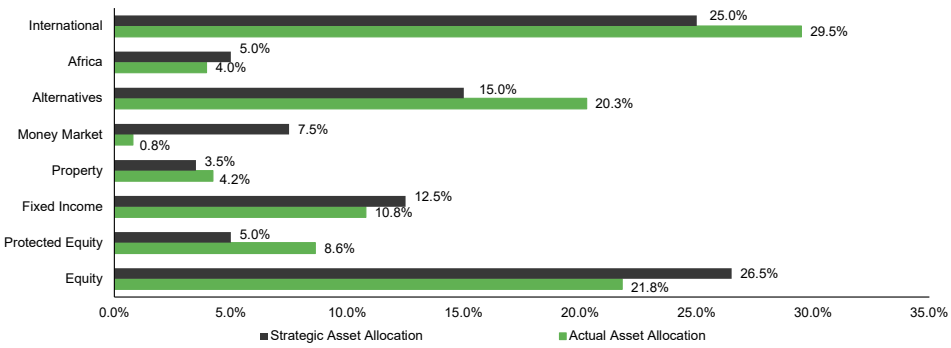


Pensioner - 3 Year Rolling Returns

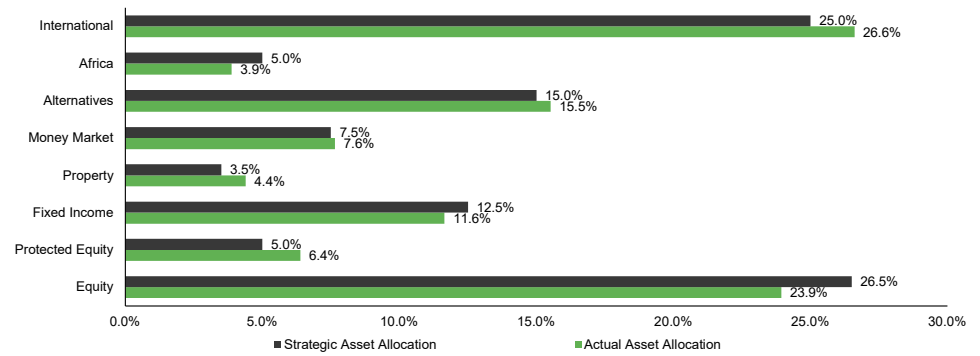


ASSET ALLOCATION

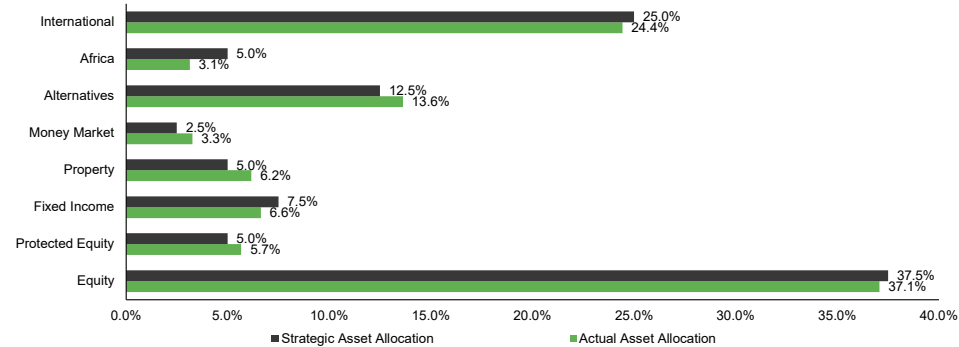
DB Members



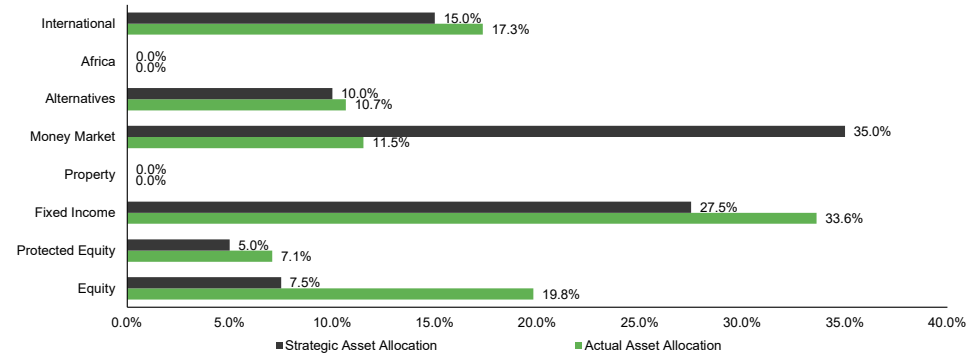
Pensioner



DC Growth



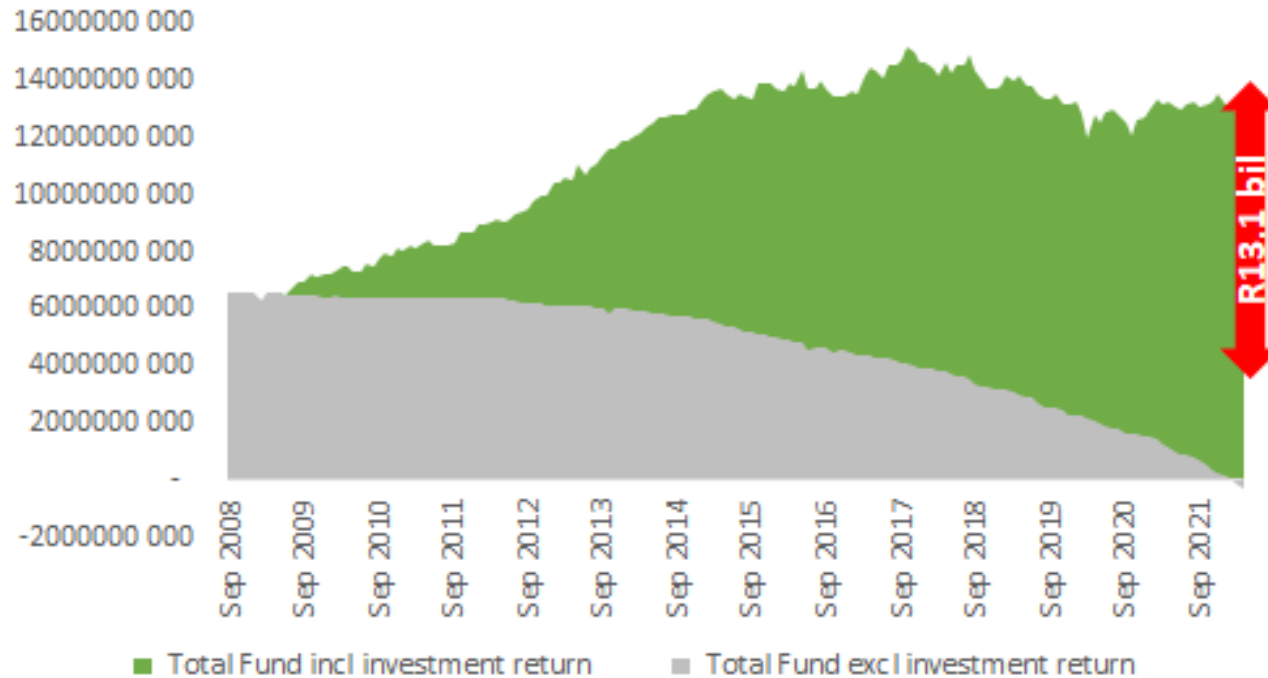
DC Moderate



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



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	596 007 742.52	4.7%	-3.0%	1.3%	19.5%	10.0%	-	11.3%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					1.0%	1.2%	4.7%	1.4%	-	1.0%	
	Aluwani Capital Equity	2018/10/31	566 796 731.71	4.4%	-4.4%	-1.1%	10.3%	7.1%	-	9.4%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					-0.5%	-1.2%	-4.5%	-1.5%	-	-0.9%	
Equity	Argon Equity	2018/10/31	345 803 582.02	2.7%	-3.5%	-0.3%	14.0%	8.5%	-	9.9%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					0.5%	-0.4%	-0.8%	-0.1%	-	-0.4%	
	Satrix Equity	2018/10/31	354 291 172.24	2.8%	-4.5%	0.9%	16.1%	9.9%	-	11.5%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					-0.6%	0.8%	1.4%	1.2%	-	1.1%	
Equity	Vunani Equity	2018/10/31	293 079 331.83	2.3%	-4.1%	0.0%	14.6%	8.2%	-	10.1%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					-0.1%	-0.1%	-0.2%	-0.4%	-	-0.3%	
	Equity Incubation	Mianza Equity	2018/10/31	584 987 551.75	4.6%	-4.1%	0.0%	16.5%	9.9%	-	11.4%
		JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%
						-0.2%	-0.1%	1.8%	1.2%	-	1.1%
Equity Incubation	Balondolzi Equity	2018/10/31	404 239 629.78	3.2%	-4.1%	-0.8%	12.1%	6.9%	-	9.4%	
	JSE Capped Share Weighted Index				-3.9%	0.1%	14.7%	8.6%	-	10.3%	
					-0.1%	-0.9%	-2.6%	-1.7%	-	-0.9%	
Protected Equity	Mergence Structured Product	2019/11/01	856 635 204.30	6.7%	-2.4%	4.2%	11.6%	-	-	19.0%	
	JSE All Share Index Top 40				-4.4%	-3.5%	7.2%	-	-	11.1%	
					2.0%	7.7%	4.4%	-	-	8.0%	
Protected Equity Incubation	REGIVE Protected Equity	2022/02/01	143 135 203.50	1.1%	-3.6%	-4.5%	-	-	-	-4.5%	
	SALA REGIVE SP Custom				-4.4%	-3.5%	-	-	-	-3.5%	
					0.8%	-1.1%	-	-	-	-1.1%	

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	
Fixed Income	Futuregrowth Infrastructure Bond All Bond Index	2008/08/31	1 090 536 555.01	8.5%	-1.4%	0.1%	11.8%	9.1%	9.7%	10.8%	
					-1.7%	-0.7%	8.4%	7.6%	8.2%	8.7%	
						0.2%	0.8%	3.4%	1.5%	1.5%	2.2%
	Stanlib Bond All Bond Index	2008/08/31	287 290 738.71	2.2%	-1.6%	-0.3%	9.3%	8.3%	9.1%	9.5%	
-1.7%					-0.7%	8.4%	7.6%	8.2%	8.7%		
					0.1%	0.4%	0.9%	0.8%	0.9%	0.8%	
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.2%	-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Property	Meago Property Listed Property	2012/08/31	413 043 204.98	3.2%	-1.3%	0.2%	13.3%	-4.5%	-4.5%	3.7%	
					-1.4%	0.2%	12.2%	-3.9%	-4.4%	2.9%	
					0.1%	0.0%	1.1%	-0.6%	0.0%	0.8%	
Money Market	Sanlam Cash STEFI Composite	2010/09/30	156 387 394.84	1.2%	0.4%	1.0%	4.7%	5.7%	7.0%	7.1%	
					0.4%	1.0%	4.0%	5.2%	6.0%	6.1%	
					0.1%	0.0%	0.7%	0.5%	0.9%	1.0%	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	146 832 739.63	1.1%	0.4%	1.2%	4.7%	5.5%	-	5.6%	
					0.4%	1.0%	4.0%	5.2%	-	5.5%	
					0.0%	0.2%	0.7%	0.3%	-	0.2%	
Alternatives	Mayibentsha Focused CPI + 4.5%	2011/07/31	546 725 121.91	4.3%	1.6%	1.4%	6.9%	9.8%	7.3%	8.1%	
					1.3%	2.9%	10.5%	8.9%	8.8%	9.6%	
					0.3%	-1.5%	-3.6%	0.8%	-1.6%	-1.5%	
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	449 244 096.49	3.5%	1.0%	1.9%	6.4%	8.0%	7.5%	7.8%	
					1.2%	2.4%	8.5%	6.9%	6.8%	7.6%	
					-0.2%	-0.5%	-2.1%	1.1%	0.7%	0.2%	
Mayibentsha Moderate CPI + 3.5%	2008/08/31	360 388 434.39	2.8%	2.0%	1.6%	6.4%	9.5%	7.9%	8.6%		
				1.3%	2.6%	9.5%	7.9%	7.8%	8.5%		
				0.7%	-1.0%	-3.1%	1.5%	0.0%	0.2%		

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	2020/01/31	61 375 946.45	0.5%	0.9%	5.4%	-1.0%	-	-	9.5%
	STEFI				0.4%	1.0%	4.0%	-	-	4.5%
					0.5%	4.3%	-5.1%	-	-	5.1%
	Sampada Private Equity	2015/09/30	236 079 258.65	1.8%	-	-	-	-	-	-
	NO BENCHMARK				-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2	2019/01/31	305 134 844.33	2.4%	-	-	-	-	-	-
	NO BENCHMARK				-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Africa	REAL Fund	2022/03/01	10 057 845.00	0.1%	0.1%	-	-	-	-	0.6%
	STEFI				0.4%	-	-	-	-	0.7%
					-0.3%	-	-	-	-	-0.2%
	Legacy Africa	2020/01/31	240 393 532.46	1.9%	-	-	-	-	-	-
	Hurdle Rate				-	-	-	-	-	-
					-	-	-	-	-	-
	Tamela Capital	2020/01/31	12 163 508.49	0.1%	-	-	-	-	-	-
NO BENCHMARK				-	-	-	-	-	-	
				-	-	-	-	-	-	
Africa	Boxwood Property Fund	2020/03/31	72 646 573.24	0.6%	-	-	-	-	-	-
	Hurdle Rate (CPI +3%)				-	-	-	-	-	-
					-	-	-	-	-	-
	Summit Africa	2019/11/30	52 566 364.99	0.4%	-	-	-	-	-	-
	Hurdle Rate (CPI +5%)				-	-	-	-	-	-
				-	-	-	-	-	-	
Africa	Novare Africa Property Fund 1	2010/07/31	366 900 391.64	2.9%	-	-	-	-	-	-
	10% in USD				-	-	-	-	-	-
					-	-	-	-	-	-
	Novare Africa Property Fund 2	2014/07/31	109 811 730.44	0.9%	-	-	-	-	-	-
	10% in USD				-	-	-	-	-	-
					-	-	-	-	-	-
International	Novare Global Balanced	2008/08/31	2 605 322 835.38	20.3%	4.9%	-4.3%	0.4%	5.2%	5.7%	10.1%
	60% Equity / 40% Bonds				0.4%	-6.4%	0.5%	8.6%	9.0%	10.0%
					4.5%	2.1%	-0.1%	-3.5%	-3.3%	0.1%
					1.7%	-	-	-	-	1.7%
	SALA Global Fund	2022/04/01	980 704 639.92	7.7%	1.7%	-	-	-	-	1.7%
	SALA Global Fund				0.2%	-	-	-	-	0.2%
					1.4%	-	-	-	-	1.4%
			12 810 632 303	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	177 466 553.5	269 479 743.9	21 220 717.6	127 840 727.6	596 007 742.5	
	Aluwani Capital Equity	353 802 318.9	196 310 171.3	128 932.9	16 555 308.7	566 796 731.7	
	Argon Equity	228 105 267.4	100 253 137.6	1 338 628.4	16 106 548.7	345 803 582.0	
	Balondolozzi Equity	297 227 357.5	88 220 292.4	1 183 285.7	17 608 694.2	404 239 629.8	
	Mianzo Equity	378 711 659.9	91 402 264.0	26 757 833.7	88 115 794.2	584 987 551.8	
	Satrix Equity	243 432 813.0	24 544 954.3	1 242 757.3	85 070 647.6	354 291 172.2	
	Vunani Equity	211 362 651.4	8 481 016.7	6 798 285.1	66 437 378.6	293 079 331.8	
Protected Equity	Mergence Structured Product	633 032 487.6	110 174 031.2	17 956 470.8	95 472 214.7	856 635 204.3	
	Regive Protected Equity	115 315 765.2	8 866 636.4	3 000 347.3	15 952 454.7	143 135 203.5	
Fixed Income	Futuregrowth Infrastructure Bond	768 640 034.9	99 889 691.5	65 924 002.0	156 082 826.6	1 090 536 555.0	
	Stanlib Bond	166 989 736.4	39 475 100.3	33 639 300.7	47 186 601.3	287 290 738.7	
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3	
	Meago Property	239 232 396.1	129 589 824.5		44 220 984.4	413 043 205.0	
Money Market	Cartesian Capital Money Market	24 842 955.3	2 397 896.8	31 142 308.6	88 449 578.9	146 832 739.6	
	Sanlam Cash	42 229 622.0	66 127 596.5	2 969 926.5	45 060 249.9	156 387 394.8	
	Transition Account	2 350 373.0				2 350 373.0	
Alternatives	Mayibentsha Focused	405 822 463.5	69 472 150.4	8 159 310.9	63 271 197.1	546 725 121.9	
	Mayibentsha Market Neutral	329 594 981.9	58 028 503.8	7 523 793.4	54 096 817.3	449 244 096.5	
	Mayibentsha Moderate	227 806 209.7	67 240 472.5	7 880 181.8	57 461 570.5	360 388 434.4	
	Terebinth Capital	48 315 892.0	1 664 619.2	7 869 500.8	3 525 934.5	61 375 946.5	
	Tamela Capital	4 670 321.7	4 847 749.5		2 645 437.3	12 163 508.5	
	Legacy Africa	219 012 716.0	7 374 039.1		14 006 777.4	240 393 532.5	
	Sampada Private Equity	187 626 128.4	23 161 587.1		25 291 543.2	236 079 258.7	
	Sampada Private Equity 2	238 579 563.8	32 786 567.8		33 768 712.7	305 134 844.3	
	Boxwood Property Fund	63 634 812.8	4 545 186.2		4 466 574.3	72 646 573.2	
	Summit Africa	25 301 595.1	16 018 986.9		11 245 783.1	52 566 365.0	
	Real Fund	7 537 803.7	1 223 757.4		1 157 485.7	10 057 845.0	
	Africa	Novare Africa Property Fund 1	263 622 890.5	51 198 988.5		52 078 512.7	366 900 391.6
		Novare Africa Property Fund 2	79 426 443.3	14 682 023.0		15 703 264.2	109 811 730.4
International	Novare Global Balanced	1 857 712 288.6	372 883 261.8	37 316 236.9	337 411 048.1	2 605 322 835.4	
	SALA Global Fund	699 286 489.8	140 362 008.1	14 046 707.1	127 009 435.0	980 704 639.9	
Total Fund		8 668 010 136.2	2 100 702 258.6	296 237 325.4	1 745 682 582.7	12 810 632 302.9	

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

A hand in a dark blue sleeve points to a document featuring several charts and tables. The charts include pie charts and a bar chart, with labels such as 'Energy', 'Industrial', 'Agriculture', and 'Global Equities'. The tables contain numerical data, likely representing financial metrics or performance indicators.

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 30% per Regulation 28 of the Pension Fund, or 40% subject to 10% 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

A hand in a dark suit sleeve points towards a document. The document features several charts and tables. On the left, there are two pie charts with legends. The first pie chart has a legend with 'Energy', 'Industrial', and 'Agriculture'. The second pie chart has a legend with 'Energy', 'Industrial', and 'Agriculture'. To the right of the pie charts is a table with columns for 'Global Equities', 'Global Bonds', and 'Global Real Estate'. The table has rows for '2014-15', '2015-16', and '2016-17'. The table data is as follows:

	Global Equities	Global Bonds	Global Real Estate
2014-15	2.4	4.4	3.4
2015-16	2.4	3.1	3.4
2016-17	4.3	3.1	3.4

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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