



NOVARE[®]
actuaries & consultants

| **Monthly Report** |

SALA Pension Fund

February 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%

DISCLAIMER

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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



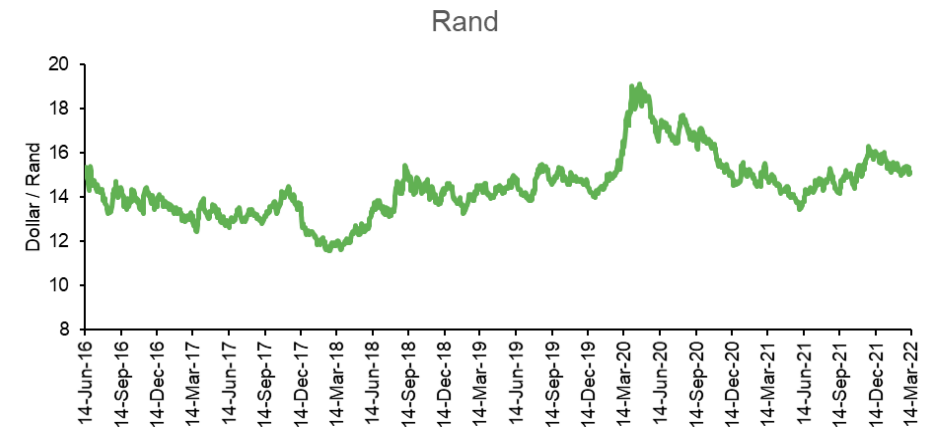
DOMESTIC MARKET VIEW

The South African stock market had another strong month (FTSE/JSE Capped SWIX +2.7% MoM), leaving it amongst only a few major global markets to end February in positive territory (Brazilian Bovespa +0.9% MoM, Shanghai Composite +3% MoM and FTSE-100 +0.3% MoM). YTD, the performance of the local bourse (+7.6% in US dollar terms) is second only to the Brazilian stock market (+16% YTD in US dollar terms).

There were several trading updates during the month which meaningfully impacted share prices, including Wilson Bayly Holmes-Ovcon (WBHO; -25% MoM), which surprised the market by announcing that it will liquidate its Australian operations, Telkom (-17% MoM), which reported slowing mobile subscriber growth, and Tiger Brands (-11% MoM), which reported lower bread volumes and margin compression due to its inability to recover cost increases.

At the other end of the spectrum, the banks released better-than-expected trading updates, showing strong earnings momentum and likely more benign credit losses than anticipated (Nedbank +15% MoM, Standard Bank +9% MoM and FirstRand +7% MoM). The miners were another source of strong performance in February (+17% MoM in aggregate), with gold miners leading the way (+29% MoM) as the price of gold rallied 6% MoM, with investors turning to perceived safe-haven assets on fears related to the conflict between Russia and Ukraine.

Platinum miners (+25% MoM) followed platinum group metal (PGM) prices higher, initially on optimism around decreasing supply chain constraints driving increasing vehicle production, but later in the month on the back of fears that Russia (which produces c. 44% of global palladium and 14% of platinum) might struggle to export PGMs because of the conflict.



DOMESTIC MARKET VIEW

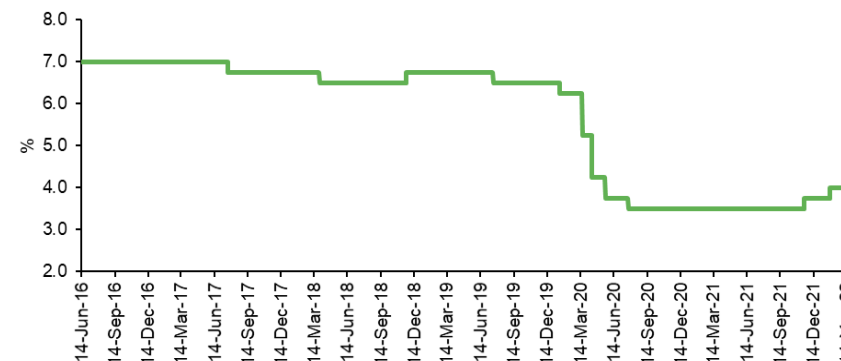
Sasol, which should have been a huge beneficiary of a higher oil price, offset that tailwind with the release of earnings which showed disappointing execution. Naspers and Prosus continued to weigh heavily on the local bourse (-22% and -26% MoM, respectively), declining by more than double the rate of their biggest investment, Tencent (-11% MoM in SA rand terms).

The pair have now lost almost half of their value in the past year. The continued softness in Tencent can at least partially be ascribed to the ongoing interference of the Chinese government in the operating models of large Chinese tech companies, the latest blow coming from a guideline from the Chinese government for food delivery companies like Meituan (c. 20% owned by Tencent) to cut the fees it charges restaurants.

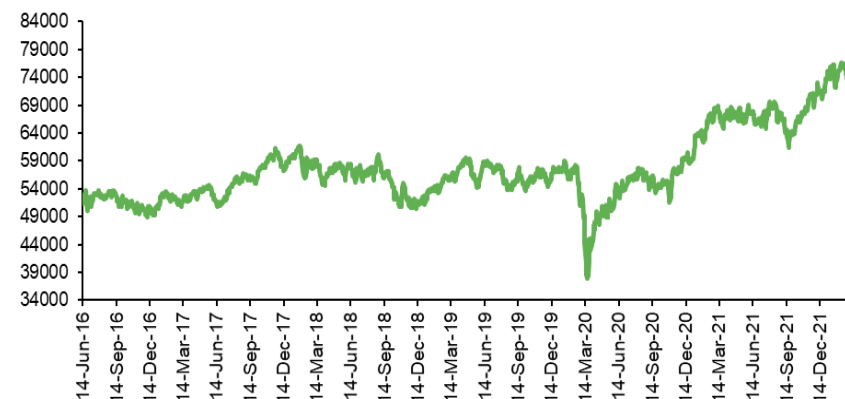
SA inflation data released during the month were largely in line with expectations (+5.7% YoY or +3.5% YoY, when excluding the volatile food and energy prices). The national budget speech delivered during the month by Finance Minister Enoch Godongwana, contained no material surprises with the windfall from higher commodity prices being used to reduce debt and fund temporary social relief grants, while fiscal consolidation remains intact.

The local currency ended the month largely unchanged (+0.1% MoM) as did the yield on 10-year government bonds (9.8%).

Repo Rate



FTSE/JSE All Share Index

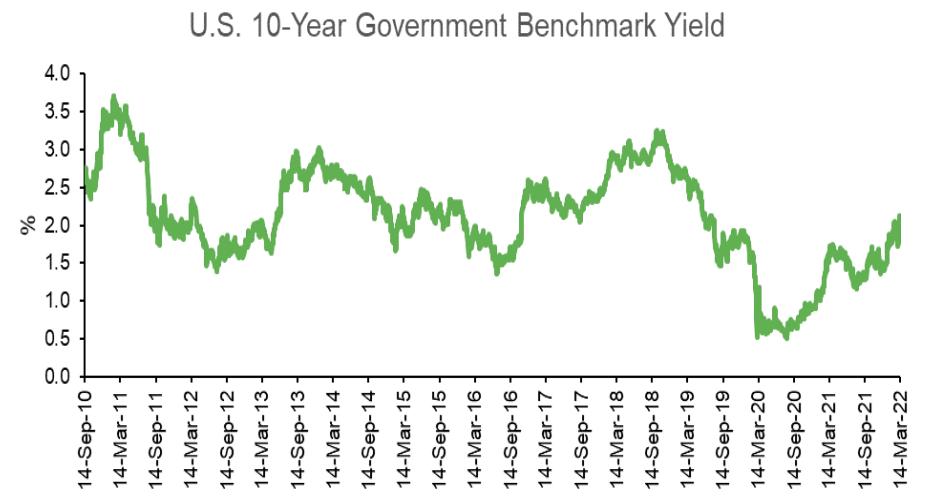
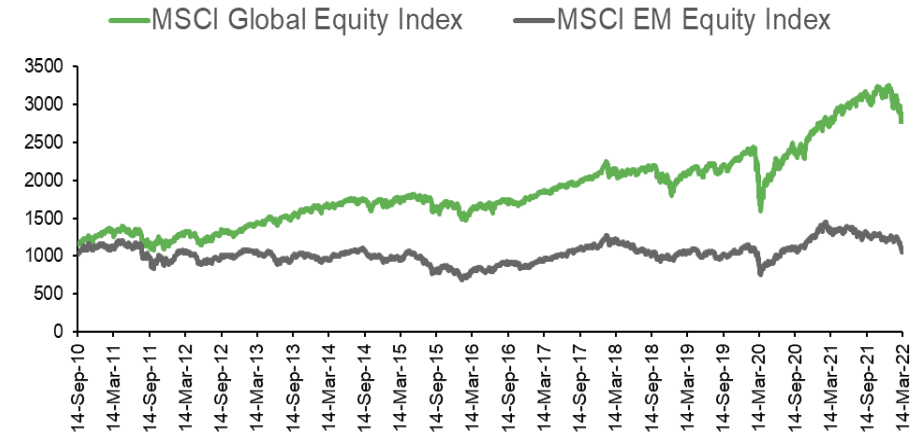


INTERNATIONAL MARKET VIEW

Global stocks were negotiating the first part of February relatively well – roughly flat, in aggregate, by mid-month. US earnings were largely going according to plan, with most S&P 500 companies having reported 4Q21 earnings by month-end, and aggregate earnings growth of c. 30% YoY – c. 6% ahead of consensus analyst expectations. There were notable exceptions amongst the positive earnings surprises, including some from the darlings of the pandemic, like Facebook owner, Meta, which saw its share price fall 26% on the day after reporting earnings that included a disappointing outlook for 1Q22 revenue amidst stagnating user growth, larger-than-expected headwinds related to Apple's privacy updates, and increasing competition for advertising spend from the likes of TikTok.

The share price drop wiped c. US\$250bn from Meta's market cap in a single day, the biggest ever drop in value for a US company. PayPal and Home Depot were also amongst the companies experiencing big share price declines in the wake of their results.

Towards month-end, the focus on corporate earnings shifted swiftly to the escalating conflict in Ukraine with Russian troops crossing the border, intent on forcing a regime change in their former Soviet Union neighbour. By month-end, nations around the world were scrambling to roll out sanctions against Russia and its leaders, with the conflict still raging and the end game remaining highly uncertain. Headlines suggesting Russian president, Vladimir Putin, had put his nuclear deterrent forces on high alert, raised fears of a conflict escalating beyond Ukraine and left investors shunning risky assets (MSCI World -2.5% MoM).

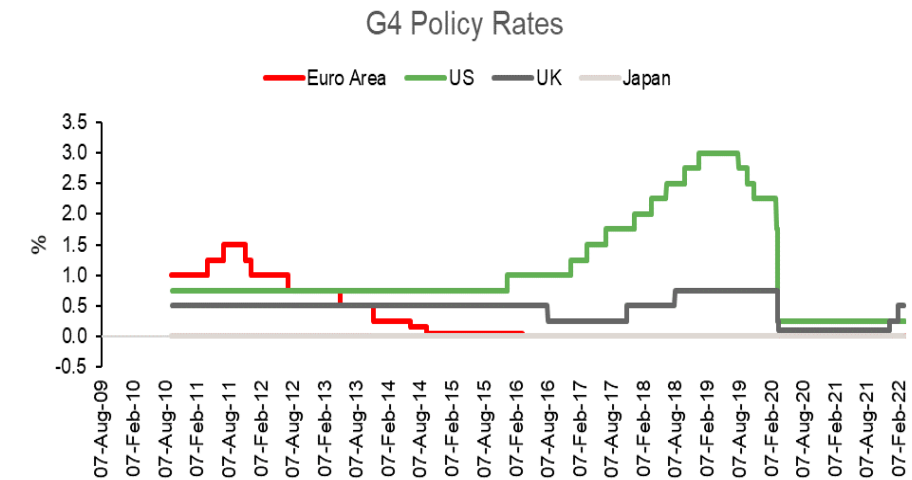
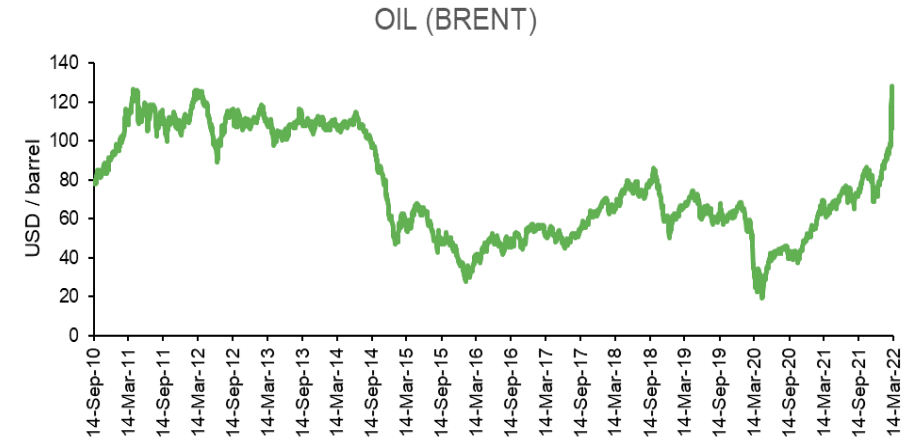


INTERNATIONAL MARKET VIEW

Russian assets bore the brunt of the sell-off, with the MSCI Russia Index down 53% MoM and the Russian currency falling 26% MoM. Russia's role as the third-largest oil producer globally, supplying natural gas, oil, and coal for c. 25% of the European Union's (EU's) energy needs caused heightened anxiety about the impact that the conflict might have on global energy supplies at a time when the pandemic and unusual weather patterns were already elevating demand and restricting the supply of energy commodities.

Brent crude oil spiked 11% MoM to end February above \$100/bbl, leaving the S&P 500 energy sector (+7% MoM) as the only sector to end the month in positive territory. Other emerging markets (EMs) fared better, particularly those with meaningful commodity exports like Brazil and South Africa (SA), which saw their stock markets close the month higher (+0.9% and +2.7% MoM, respectively). In aggregate, EMs still fared worse than developed markets (DMs) for the month (MSCI EM -3% MoM).

The month had started with a continuation of concerns around elevated global inflation levels and US inflation data for January (released early in February) did nothing to assuage those fears, with US headline inflation of 7.5% YoY coming in ahead of expectations and higher than December's print (7% YoY, the highest inflation level in 40-years). The spike in energy prices related to the conflict will exacerbate inflationary pressures, and markets are still anticipating that the US Federal Reserve (Fed) will deliver five 0.25% rate hikes this year. However, US 10-year government bond yields retreated from their mid-month highs of 2.05% to end the month at 1.8%. This was likely due to a combination of investors driving yields lower as they shifted towards less risky assets and perhaps also a reflection of an expectation that the Fed will be able to proceed more cautiously with unwinding its growing balance sheet in light of the impact that the conflict in Ukraine might have on dampening economic activity globally.



TACTICAL ASSET ALLOCATION

RSA BONDS

In the fixed income markets the ALBI returned 0.54% during February with the long end of the curve seeing the largest increase. SA inflation data released during the month were largely in line with expectations (+5.7% YoY or +3.5% YoY, when excluding the volatile food and energy prices). The national budget speech delivered during the month by Finance Minister Enoch Godongwana, contained no material surprises with the windfall from higher commodity prices being used to reduce debt and fund temporary social relief grants, while fiscal consolidation remains intact. The local currency ended the month largely unchanged (+0.1% MoM) as did the yield on 10-year government bonds (9.8%).

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. 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 February, listed property had another weaker month, ending down -3.26%. With the SARB becoming more hawkish on the inflation outlook, investors started pricing in more rate hikes. The re-set of property companies' earnings and balance sheets is very favourable for the sector's re-rating potential.

The property sector has therefore turned attractive by historic standards and as such we will possibly make use of the pullback to add to our property exposure. The full impact of Covid-19 is still very much lingering and the

continued partial lockdown is sure to leave some scars down the road. 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 11bp to end the month at 4.22%, while the 12-m JIBAR rate rose 32bp to 6.03%. In the last 12 months, the rates are up 58bp and 158bp respectively. The 12-m T-bill average yield declined by 11bp to 5.60% at the end of February.

In the SA bond market, non-residents turned large net sellers, with the R28.6bn outflow in February far exceeding January's R5.6bn inflow (according to Bloomberg data). This brings the cumulative outflow for the last 12 months to R187bn.

RSA EQUITIES

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NOVARE HOUSE VIEW: February 2022
TACTICAL POSITIONING*

	←	ON-WEIGHT	→		PREVIOUS
	UNDER-WEIGHT			OVER-WEIGHT	
DOMESTIC	Under-weight				
Equities	95%				85%
Bonds	95%				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
-
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TACTICAL ASSET ALLOCATION

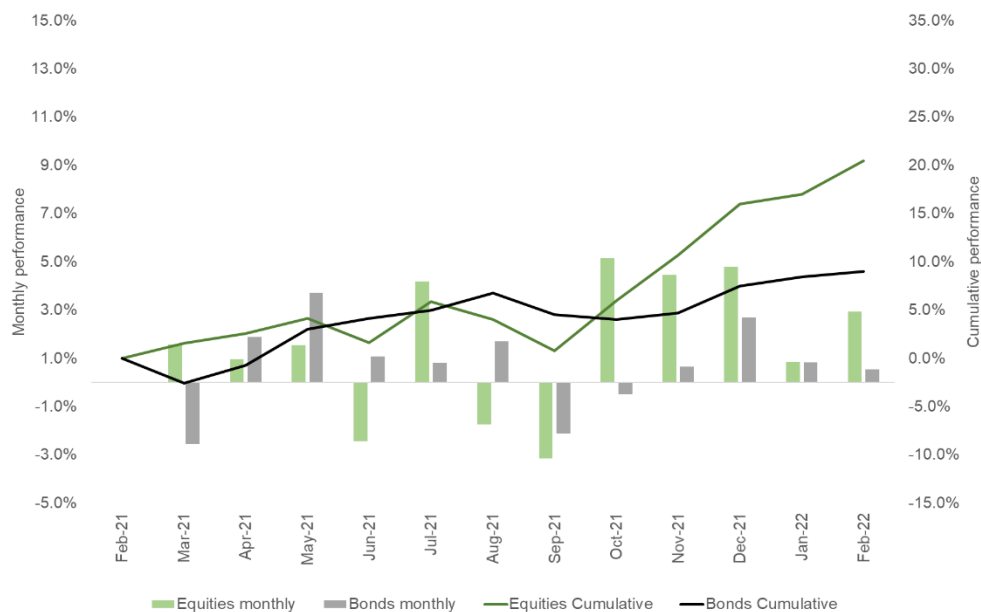
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	-2.6%	-3.6%	-7.3%	8.3%	14.0%	12.0%
MSCI Emerging Markets	-3.0%	-3.0%	-4.8%	-10.4%	6.4%	7.4%
Global Bonds (R)	-1.4%	-6.5%	-6.7%	-3.8%	5.2%	5.9%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	9.8%	41.5%	26.0%	52.1%	13.8%	11.9%
Platinum (USD/oz)	3.8%	10.9%	9.1%	-13.3%	6.6%	0.7%
Gold (USD/oz)	5.9%	5.7%	3.6%	7.1%	12.7%	8.7%

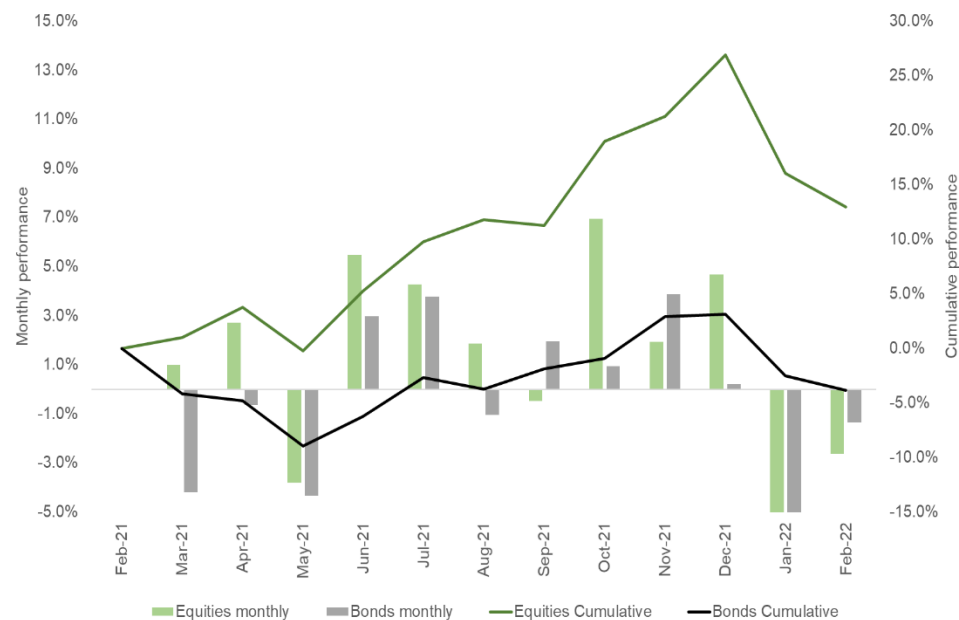
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	2.9%	8.8%	3.8%	20.5%	14.8%	12.0%
Domestic Bonds	0.5%	4.1%	1.4%	9.0%	8.7%	8.9%
Domestic Cash	0.3%	1.0%	0.7%	3.9%	5.3%	6.1%
Domestic Property	-3.3%	1.4%	-6.0%	22.4%	-5.8%	-5.8%
International Equity	-2.6%	-6.8%	-11.0%	13.0%	18.4%	16.0%
International Bonds	-1.4%	-6.5%	-6.7%	-3.8%	5.2%	5.9%
Exchange rate (R / \$)	-0.1%	-3.3%	-3.6%	1.6%	2.9%	3.2%

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

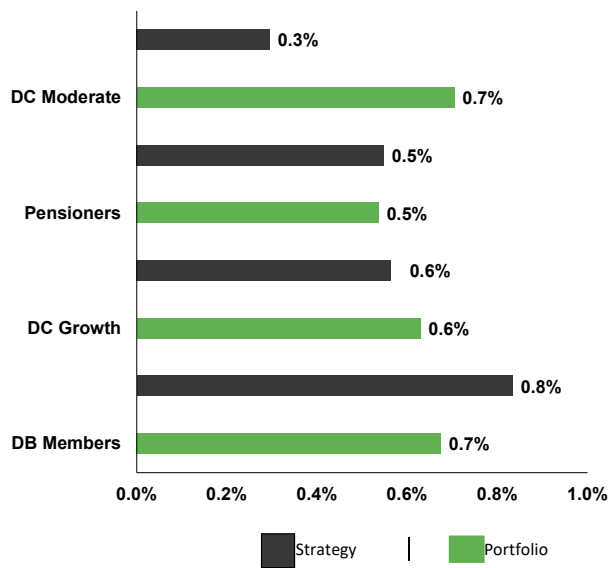


EXECUTIVE SUMMARY

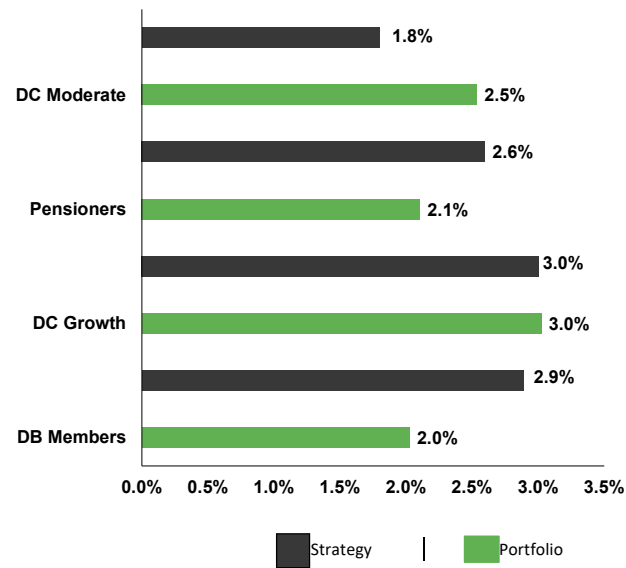
SHORT TERM RETURNS VERSUS STRATEGIES



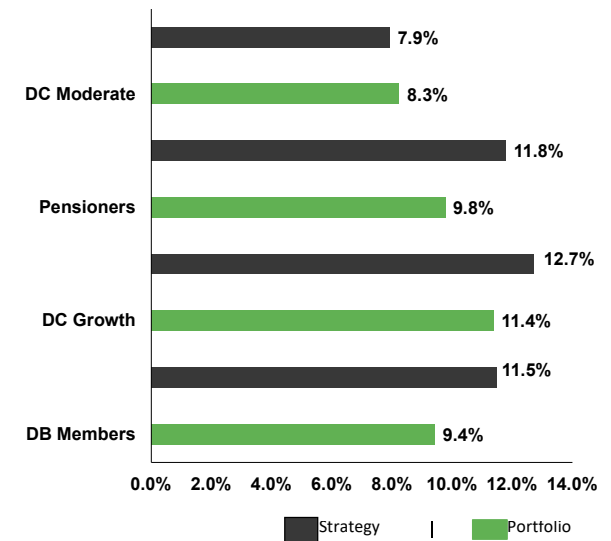
Monthly Return for February 2022



3 Months Return up to February 2022



1 Year Return up to February 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.

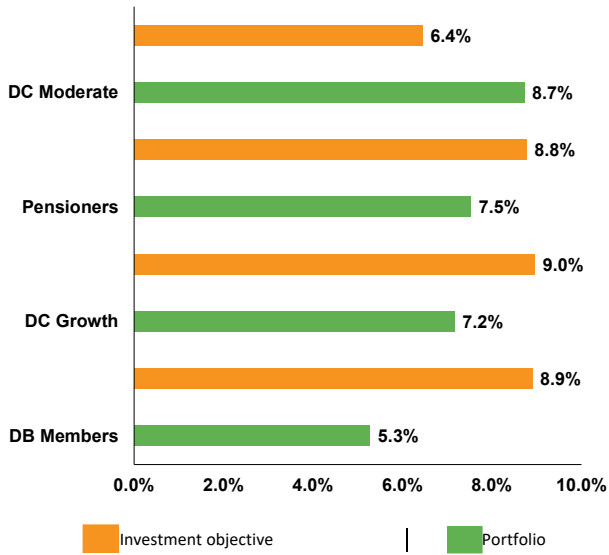
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 970 476 198	68.1%	0.7%	2.0%	-1.1%	9.4%
			0.8%	2.9%	-0.3%	11.5%
			-0.2%	-0.9%	-0.8%	-2.0%
DC Growth Strategy	2 099 853 094	16.0%	0.6%	3.0%	-0.7%	11.4%
			0.6%	3.0%	-0.4%	12.7%
			0.1%	0.0%	-0.3%	-1.3%
DC Moderate Strategy	318 488 561	2.4%	0.7%	2.5%	-0.1%	8.3%
			0.3%	1.8%	-0.1%	7.9%
			0.4%	0.7%	0.1%	0.3%
Pensioner Strategy	1 775 741 838	13.5%	0.5%	2.1%	-1.0%	9.8%
			0.5%	2.6%	-0.5%	11.8%
			0.0%	-0.5%	-0.4%	-2.0%
	13 164 559 691	100%				

EXECUTIVE SUMMARY

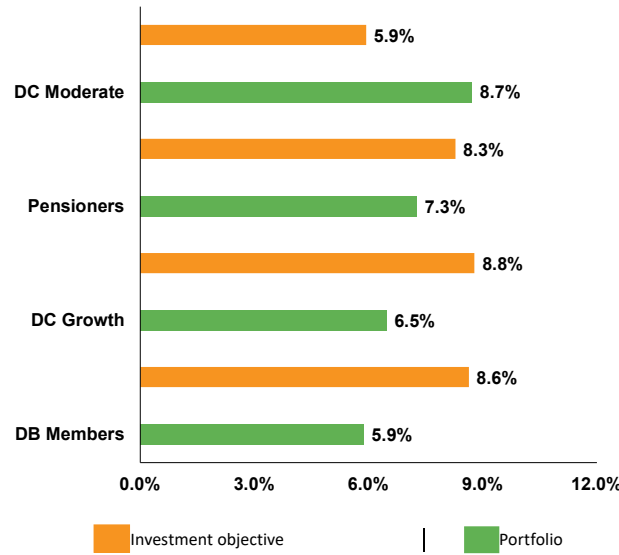
LONG TERM RETURNS VERSUS OBJECTIVES



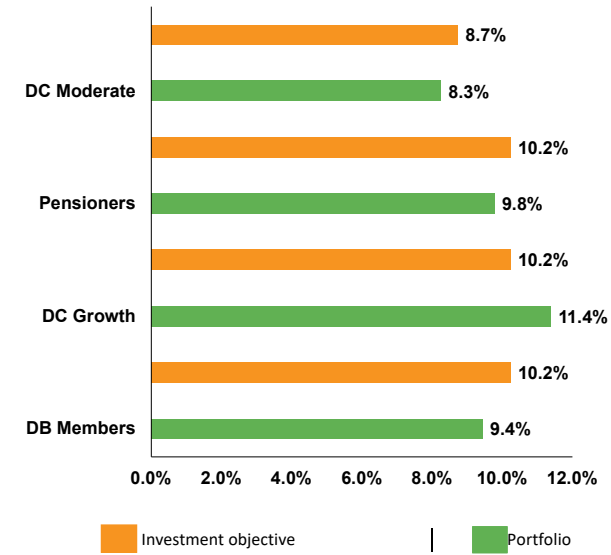
3 Year Return up to February 2022



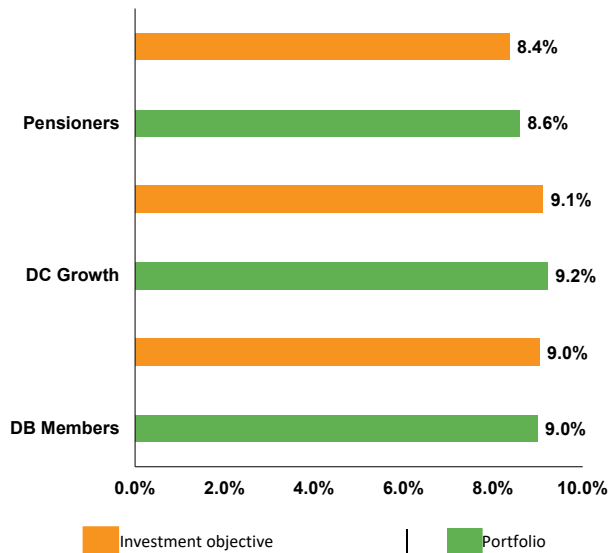
5 Year Return up to February 2022



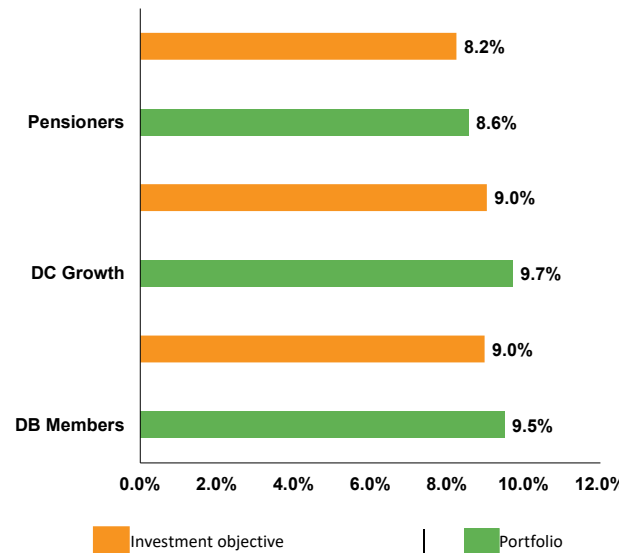
8 Year Return up to February 2022



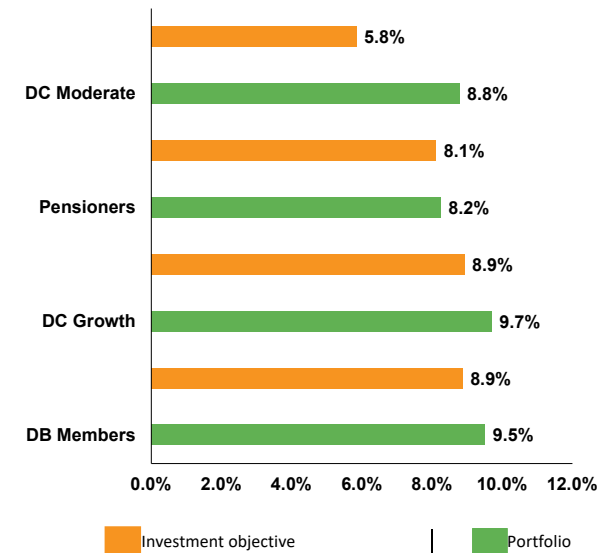
10 Year Return up to February 2022



12 Year Return up to February 2022



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

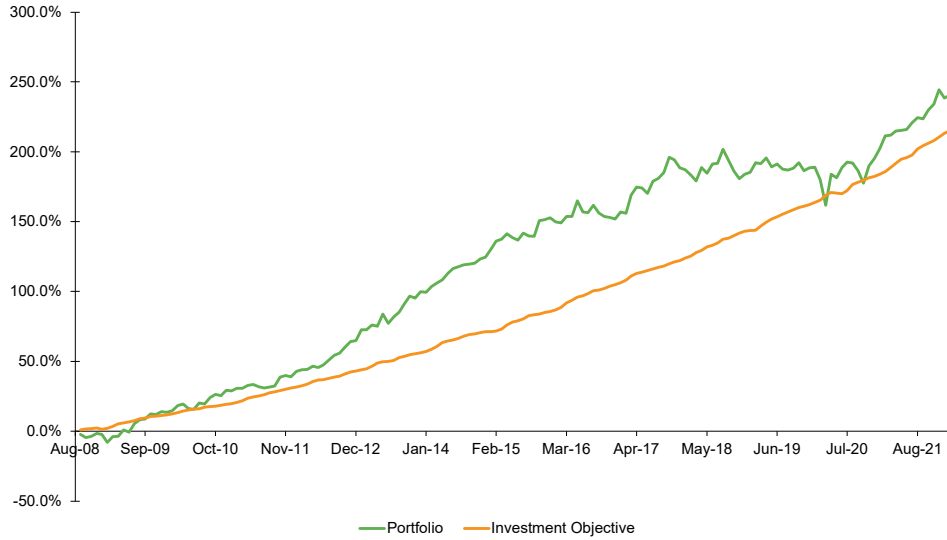
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	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	8 970 476 198	68.1%	5.3%	5.9%	6.6%	9.0%	9.5%	9.5%
			8.9%	8.6%	9.0%	9.0%	9.0%	8.9%
			-3.6%	-2.8%	-2.3%	0.0%	0.5%	0.6%
DC Growth								
Objective	2 099 853 094	16.0%	7.2%	6.5%	7.0%	9.2%	9.7%	9.7%
			9.0%	8.8%	9.1%	9.1%	9.0%	8.9%
			-1.8%	-2.3%	-2.0%	0.1%	0.7%	0.8%
DC Moderate								
Objective	318 488 561	2.4%	8.7%	8.7%	-	-	-	8.8%
			6.4%	5.9%	-	-	-	5.8%
			2.3%	2.8%	-	-	-	2.9%
Pensioner								
Objective	1 775 741 838	13.5%	7.5%	7.3%	7.1%	8.6%	8.6%	8.2%
			8.8%	8.3%	8.4%	8.4%	8.2%	8.1%
			-1.2%	-1.0%	-1.3%	0.2%	0.3%	0.1%
	13 164 559 691	100%						

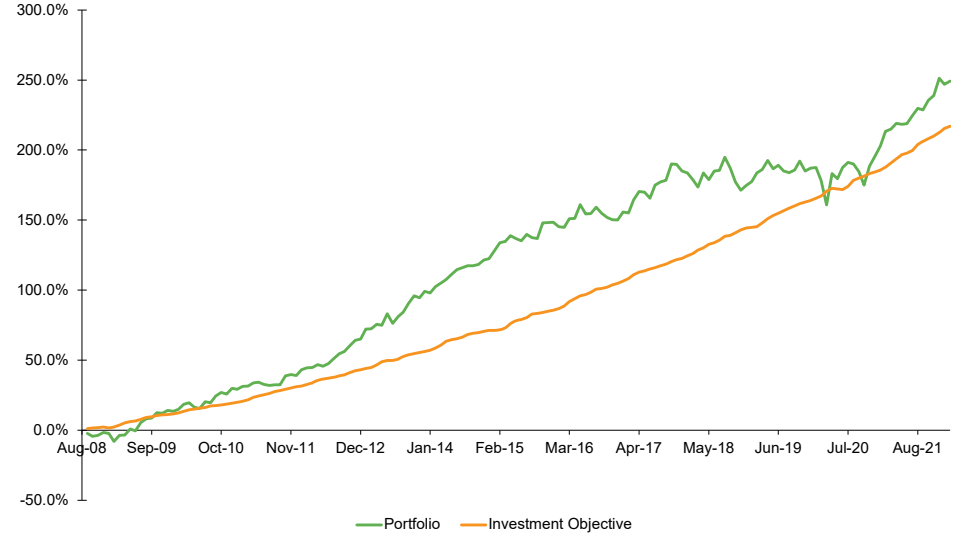
LONG TERM RETURNS

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.

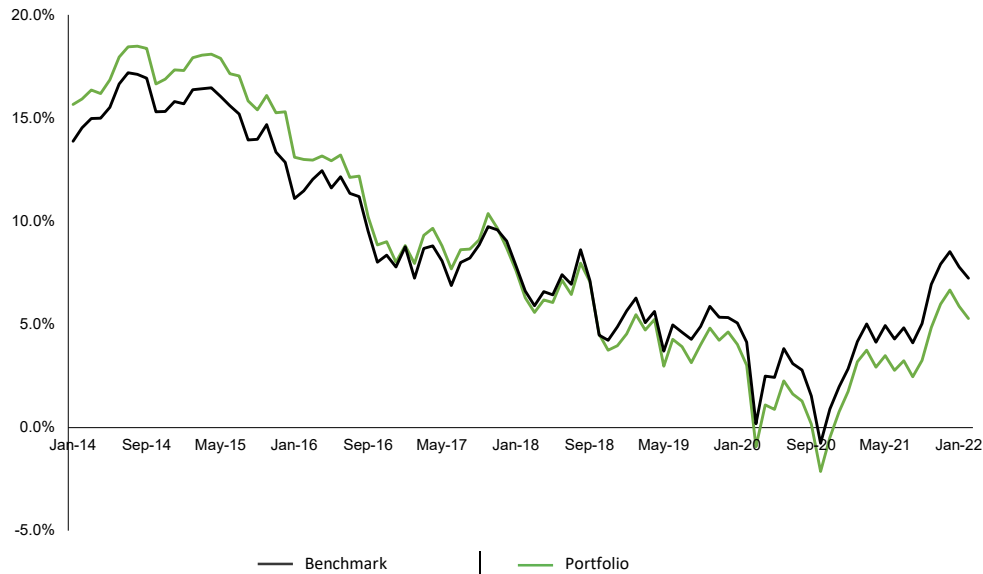
DB Members - Cumulative return since 30 September 2009



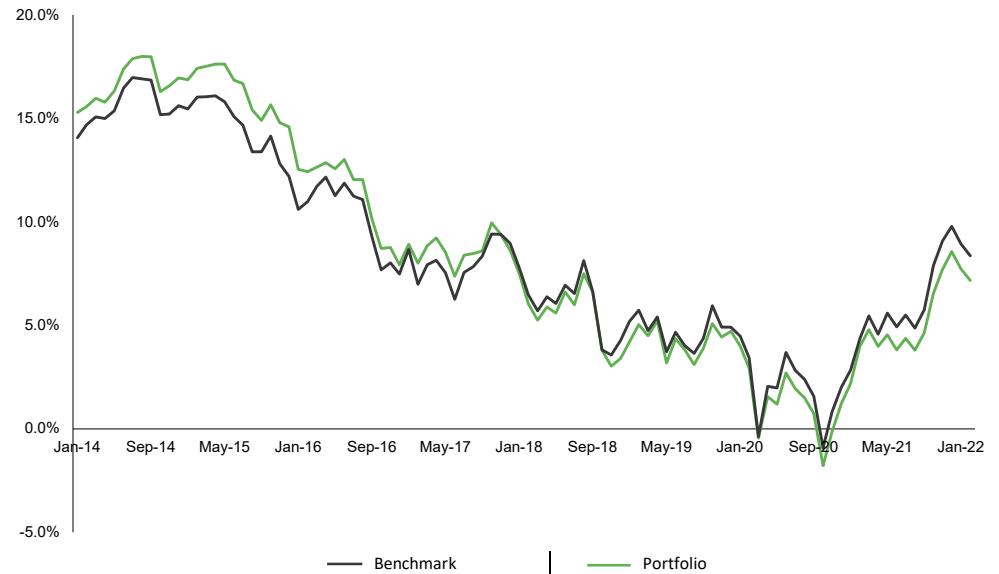
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



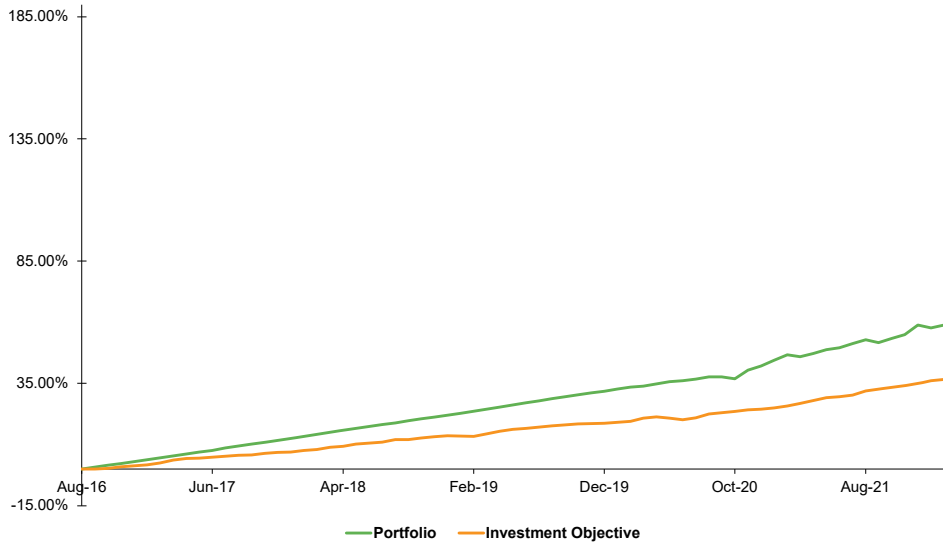
DC Growth - 3 Year Rolling Returns



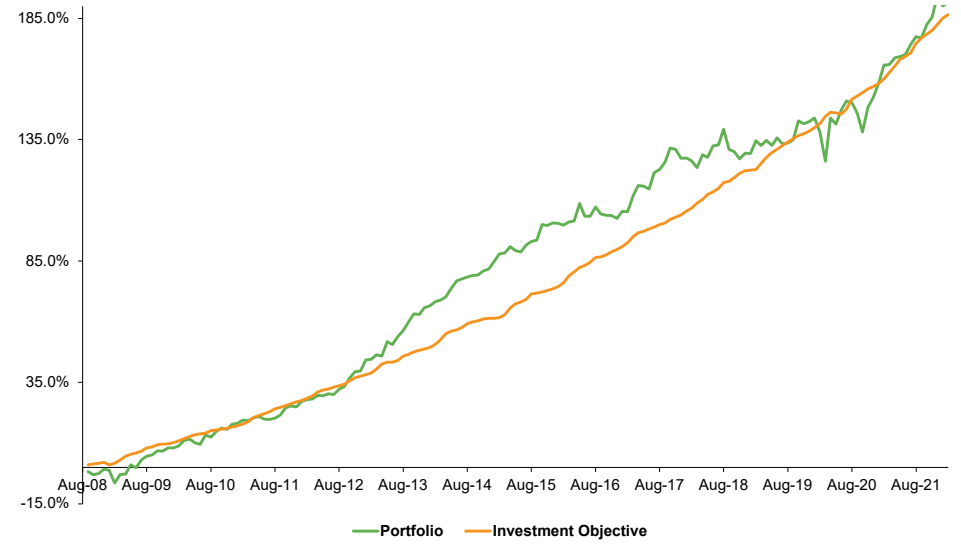
LONG TERM RETURNS

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.

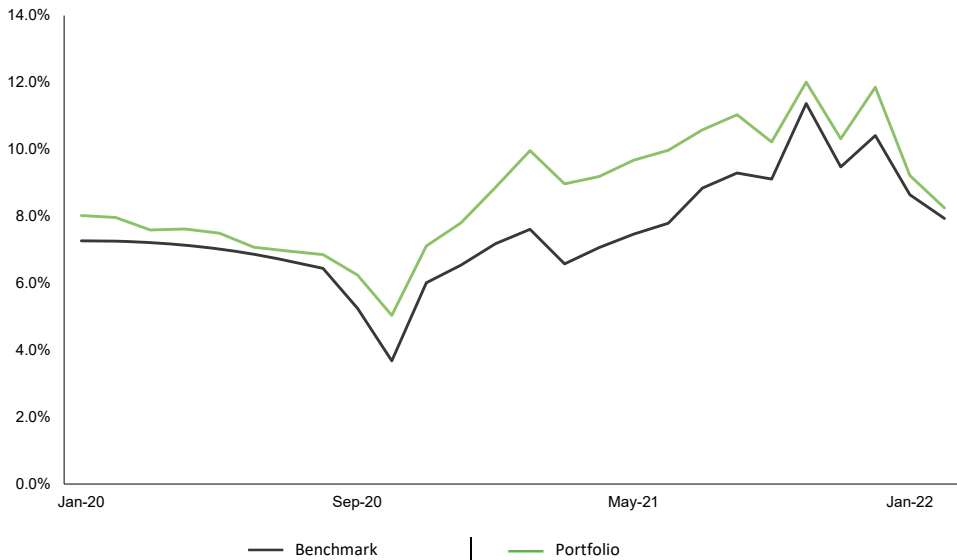
DC Moderate - Cumulative return since 30 September 2016



Pensioner - Cumulative return since 30 September 2016



DC Moderate - 1 Year Rolling Returns

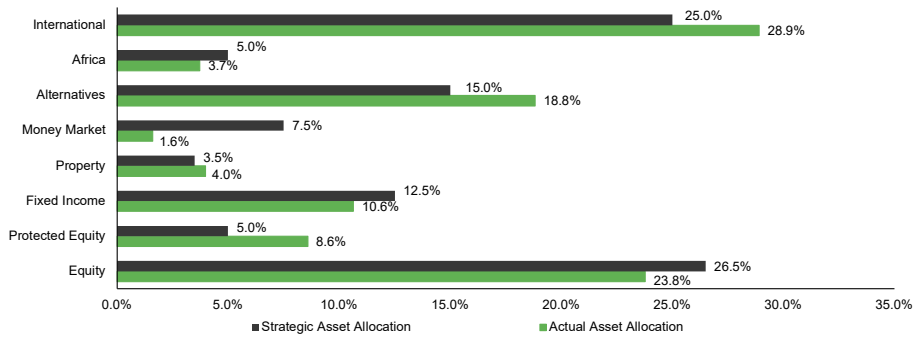


Pensioner - 3 Year Rolling Returns

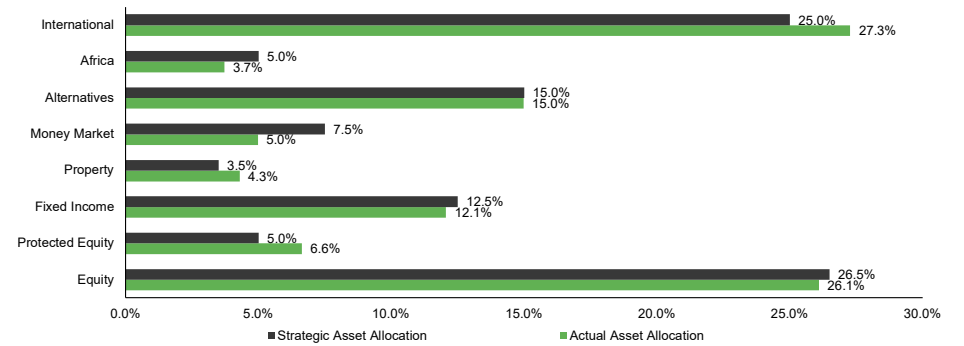


ASSET ALLOCATION

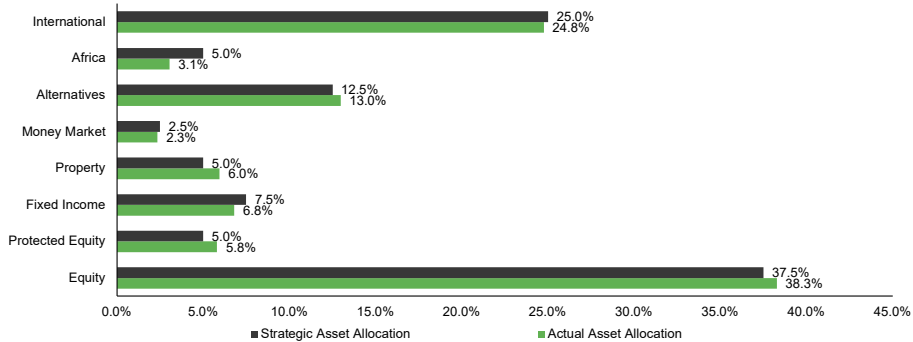
DB Members



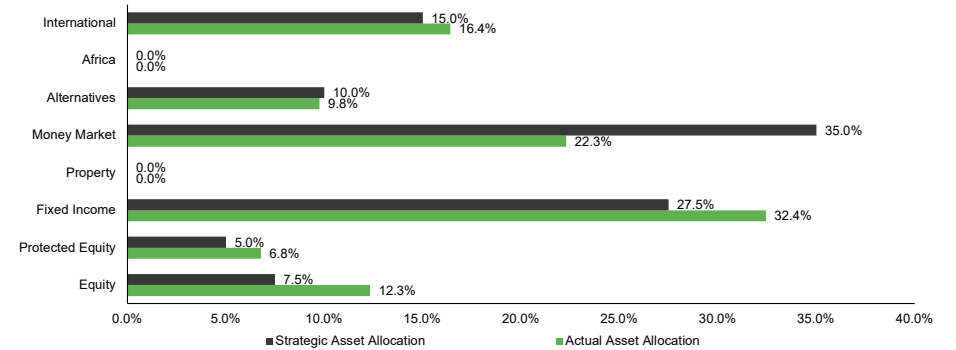
Pensioner



DC Growth



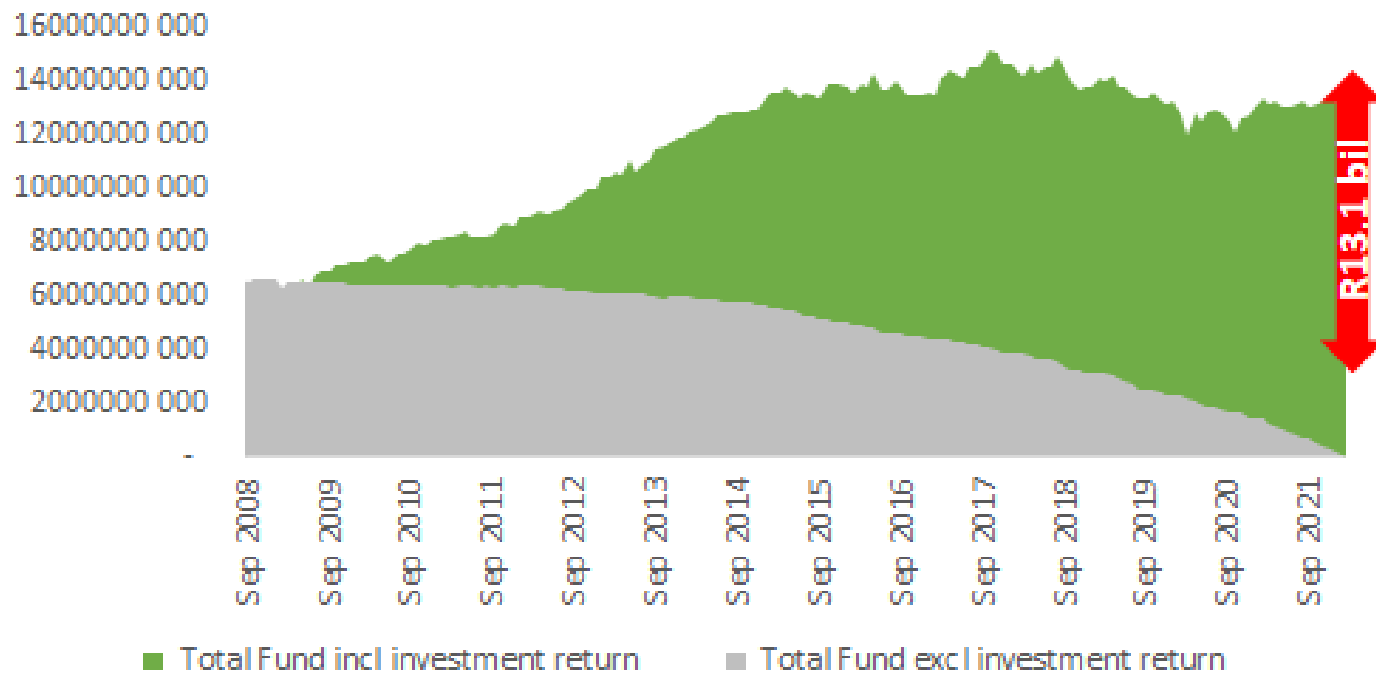
DC Moderate



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 JSE Capped Share Weighted Index	2018/10/31	648 866 424.43	4.9%	2.9%	10.7%	28.8%	12.3%	-	12.5%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					0.2%	0.5%	5.7%	1.0%	-	0.8%
	Aluwani Capital Equity JSE Capped Share Weighted Index	2018/10/31	631 455 278.42	4.8%	2.8%	9.9%	18.7%	10.4%	-	11.2%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					0.1%	-0.4%	-4.4%	-0.9%	-	-0.6%
	Argon Equity JSE Capped Share Weighted Index	2018/10/31	381 675 258.53	2.9%	2.5%	11.6%	22.3%	11.2%	-	11.4%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					-0.2%	1.4%	-0.7%	-0.1%	-	-0.3%
	Satrix Equity JSE Capped Share Weighted Index	2018/10/31	364 118 471.79	2.8%	3.7%	11.9%	25.1%	12.5%	-	13.0%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					1.0%	1.6%	2.0%	1.2%	-	1.3%
	Vunani Equity JSE Capped Share Weighted Index	2018/10/31	322 845 819.87	2.5%	2.7%	10.1%	22.7%	10.9%	-	11.5%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					0.0%	-0.1%	-0.4%	-0.4%	-	-0.3%
Equity Incubation	Mianza Equity JSE Capped Share Weighted Index	2018/10/31	643 118 586.71	4.9%	2.6%	10.2%	26.2%	12.6%	-	12.9%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					-0.1%	-0.1%	3.2%	1.3%	-	1.2%
	Balondolozzi Equity JSE Capped Share Weighted Index	2018/10/31	446 753 202.93	3.4%	2.2%	10.4%	19.6%	10.2%	-	10.9%
					2.7%	10.2%	23.1%	11.3%	-	11.7%
					-0.4%	0.2%	-3.5%	-1.1%	-	-0.8%
Protected Equity	Mergence Structured Product JSE All Share Index Top 40	2019/11/01	880 716 320.62	6.7%	7.1%	7.5%	17.8%	-	-	21.9%
					1.4%	7.3%	12.7%	-	-	14.2%
					5.8%	0.2%	5.1%	-	-	7.7%
Protected Equity Incubation	REGIVE Protected Equity SALA REGIVE SP Custom	2022/02/01	150 000 165.01	1.1%	0.0%	-	-	-	-	0.0%
					2.7%	-	-	-	-	2.7%
					-2.7%	-	-	-	-	-2.7%

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	1 097 744 014.69	8.3%	0.7%	4.8%	11.7%	10.0%	10.2%	11.0%	
					0.5%	4.1%	9.0%	8.7%	8.9%	8.9%	
						0.1%	0.6%	2.7%	1.3%	1.3%	2.1%
	Stanlib Bond All Bond Index	2008/08/31	315 531 964.61	2.4%	0.7%	4.6%	9.3%	9.5%	9.7%	9.7%	
0.5%					4.1%	9.0%	8.7%	8.9%	8.9%		
					0.2%	0.4%	0.3%	0.7%	0.8%	0.8%	
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.2%	-	-	-	-	-	-	
					-	-	-	-	-	-	
						-	-	-	-	-	
	Meago Property Listed Property	2012/08/31	399 080 892.65	3.0%	-3.3%	1.1%	23.8%	-5.2%	-5.0%	3.4%	
					-3.3%	1.4%	22.4%	-4.5%	-5.0%	2.6%	
					0.0%	-0.2%	1.3%	-0.7%	0.0%	0.8%	
Money Market	Sanlam Cash STEFI Composite	2010/09/30	204 855 765.26	1.6%	0.3%	1.2%	4.5%	5.9%	7.1%	7.2%	
					0.3%	1.0%	3.9%	5.3%	6.1%	6.1%	
						0.0%	0.2%	0.6%	0.6%	1.0%	1.0%
	Transition Account	2009/02/28	2 344 050.31	0.0%	-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	145 628 972.92	1.1%	0.4%	1.2%	4.6%	5.6%	-	5.7%	
					0.3%	1.0%	3.9%	5.3%	-	5.5%	
					0.1%	0.2%	0.8%	0.3%	-	0.2%	
Alternatives	Mayibentsha Focused CPI + 4.5%	2011/07/31	537 197 126.33	4.1%	-0.4%	2.3%	7.4%	9.8%	7.4%	8.1%	
					0.6%	2.3%	10.2%	9.0%	8.9%	9.5%	
					-0.9%	0.0%	-2.9%	0.9%	-1.5%	-1.4%	
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	443 489 922.93	3.4%	0.6%	2.7%	6.5%	8.2%	7.6%	7.8%	
					0.4%	1.9%	8.2%	7.0%	6.8%	7.5%	
					0.2%	0.9%	-1.7%	1.3%	0.7%	0.2%	
Mayibentsha Moderate CPI + 3.5%	2008/08/31	353 924 070.19	2.7%	-0.2%	2.1%	6.7%	9.6%	8.0%	8.6%		
				0.5%	2.1%	9.2%	8.0%	7.8%	8.4%		
					-0.7%	0.0%	-2.6%	1.7%	0.1%	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 STEFI	2020/01/31	61 408 255.37	0.5%	5.4%	6.1%	-2.1%	-	-	10.4%
					0.3%	1.0%	3.9%	-	-	4.5%
					5.1%	5.1%	-6.0%	-	-	5.9%
	Sampada Private Equity NO BENCHMARK	2015/09/30	204 604 514.05	1.6%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2 NO BENCHMARK	2019/01/31	292 502 607.11	2.2%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Africa	Legacy Africa Hurdle Rate	2020/01/31	239 652 241.61	1.8%	-	-	-	-	-
-						-	-	-	-	-
-						-	-	-	-	-
Tamela Capital NO BENCHMARK		2020/01/31	10 458 827.39	0.1%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Boxwood Property Fund Hurdle Rate (CPI +3%)	2020/03/31	71 139 872.21	0.5%	-	-	-	-	-	-	
				-	-	-	-	-	-	
				-	-	-	-	-	-	
Summit Africa Hurdle Rate (CPI +5%)	2019/11/30	42 705 834.01	0.3%	-	-	-	-	-	-	
				-	-	-	-	-	-	
				-	-	-	-	-	-	
Africa	Novare Africa Property Fund 1 10% in USD	2010/07/31	351 853 366.16	2.7%	-	-	-	-	-	-
					-	-	-	-	-	-
Africa	Novare Africa Property Fund 2 10% in USD	2014/07/31	111 784 168.18	0.8%	-	-	-	-	-	-
					-	-	-	-	-	-
International	Novare Global Balanced 60% Equity / 40% Bonds	2008/08/31	3 649 403 673.21	27.7%	-2.6%	-6.5%	0.1%	6.7%	7.3%	10.4%
					-2.2%	-6.9%	4.9%	11.9%	10.8%	10.5%
					-0.4%	0.4%	-4.8%	-5.2%	-3.5%	-0.1%
			13 164 559 691	99%						

"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	198 978 527.2	281 704 614.8	25 591 493.2	142 591 789.2	648 866 424.4
	Aluwani Capital Equity	393 797 084.0	218 618 355.3	143 641.2	18 896 198.0	631 455 278.4
	Argon Equity	251 414 833.6	110 569 624.3	1 477 490.0	18 213 310.7	381 675 258.5
	Balondolozzi Equity	328 100 367.7	97 407 277.6	1 307 730.9	19 937 826.8	446 753 202.9
	Mianzo Equity	480 120 287.2	61 782 396.8	1 968 287.0	99 247 615.8	643 118 586.7
	Satrix Equity	248 450 218.1	24 816 605.1	1 277 228.8	89 574 419.8	364 118 471.8
Protected Equity	Vunani Equity	231 377 377.1	8 999 880.8	7 488 750.3	74 979 811.7	322 845 819.9
	Mergence Structured Product	648 880 094.9	112 811 793.8	18 461 250.3	100 563 181.6	880 716 320.6
Fixed Income	Regive Protected Equity	120 514 735.3	9 213 653.3	3 144 248.1	17 127 528.4	150 000 165.0
	Futuregrowth Infrastructure Bond	770 601 036.5	99 814 260.7	66 359 700.0	160 969 017.5	1 097 744 014.7
Property	Stanlib Bond	182 376 757.8	43 113 035.5	36 946 108.0	53 096 063.4	315 531 964.6
	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3
Money Market	Meago Property	230 297 667.9	125 009 274.2		43 773 950.6	399 080 892.7
	Cartesian Capital Money Market	23 579 752.9	2 128 271.4	67 754 417.7	52 166 530.9	145 628 972.9
	Sanlam Cash	118 267 679.2	47 167 945.3	3 240 513.2	36 179 627.6	204 855 765.3
Alternatives	Transition Account	2 344 050.3				2 344 050.3
	Mayibentsha Focused	397 516 400.1	67 970 481.6	8 017 115.3	63 693 129.3	537 197 126.3
	Mayibentsha Market Neutral	324 313 627.3	57 035 310.4	7 427 424.4	54 713 560.9	443 489 922.9
	Mayibentsha Moderate	222 600 220.8	65 770 268.9	7 738 833.3	57 814 747.3	353 924 070.2
	Terebinth Capital	48 271 322.7	1 648 984.7	7 873 643.4	3 614 304.7	61 408 255.4
	Tamela Capital	3 996 534.0	4 180 847.3		2 281 446.0	10 458 827.4
	Legacy Africa	218 060 271.4	7 285 949.9		14 306 020.3	239 652 241.6
	Sampada Private Equity	162 176 330.2	19 971 035.7		22 457 148.2	204 604 514.1
	Sampada Private Equity 2	228 060 295.9	31 277 745.0		33 164 566.3	292 502 607.1
	Boxwood Property Fund	62 219 790.3	4 428 458.6		4 491 623.3	71 139 872.2
	Summit Africa	20 374 163.2	12 971 347.0		9 360 323.8	42 705 834.0
	Africa	Novare Africa Property Fund 1	252 811 399.3	49 099 256.5		49 942 710.4
Novare Africa Property Fund 2		80 847 520.2	14 952 425.2		15 984 222.8	111 784 168.2
International	Novare Global Balanced	2 592 810 309.6	520 103 994.0	52 270 686.0	484 218 683.5	3 649 403 673.2
Total Fund		8 970 476 198.0	2 099 853 093.5	318 488 560.9	1 775 741 838.4	13 164 559 690.8

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 suit sleeve points to a document featuring several charts and tables. The charts include pie charts and bar graphs, while the tables contain numerical data. The document appears to be a financial or investment report.

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

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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