



NOVARE[®]
actuaries & consultants

| Monthly Report |

SALA Pension Fund

April 2023

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 + 4.75%

The objective of the DC Growth Portfolio represents the inflation target of CPI + 4.75%

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 + 4.75%

BENCHMARK

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

Asset Class	Allocation	Benchmark
Domestic Equities	25%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	6.5%	STeFI Composite Index
Domestic Alternatives	15%	CPI + 3.5%
Africa	3.5%	Actual Fund Returns
International	34%	82.5% MSCI World Equity/ 12.5% Barclays Global AGB/ 5% GRP 250 REIT World

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

Asset Class	Allocation	Benchmark
Domestic Equities	27.5%	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 Composite Index
Domestic Alternatives	15%	CPI + 3.5%
Africa	3.5%	Actual Fund Returns
International	34%	82.5% MSCI World Equity/ 12.5% Barclays Global AGB/ 5% GRP 250 REIT World

REPORT OVERVIEW

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

Asset Class	Allocation	Benchmark
Domestic Equities	25%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	6.5%	STeFI Composite Index
Domestic Alternatives	15%	CPI + 3.5%
Africa	3.5%	Actual Fund Returns
International	34%	82.5% MSCI World Equity/ Barclays Global AGB/ 5% GRP 250 REIT World

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

Asset Class	Allocation	Benchmark
Domestic Equities	5%	Capped SWIX
Domestic Protected Equities	7.5%	JSE TOP 40
Domestic Fixed Income	25%	ALBI
Domestic Money Market	35%	STeFI Composite Index
Domestic Alternatives	12.5%	CPI + 3.5%
International	15%	82.5% MSCI World Equity/ Barclays Global AGB/ 5% GRP 250 REIT World

TACTICAL LIMITS

DB Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	12.5%	45%
Domestic Fixed Income	0%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	5%
International	25%	45%

DC Growth

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	45%
Domestic Fixed Income	0%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	5%
International	20%	45%

Pensioner Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	12.5%	45%
Domestic Fixed Income	0%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	5%
International	25%	45%

DC Moderate

Asset Class	Lower limit	Upper limit
Domestic Equities	7.5%	25%
Domestic Fixed Income	15%	35%
Domestic Property	0%	10%
Domestic Money Market	15%	60%
Domestic Alternatives	0%	20%
Africa	0%	0%
International	5%	25%

DISCLAIMER

This document is confidential and issued for information purposes only and intended solely for the addressee(s) and members of the **South African Local Authorities Pension Fund**, which employs Novare Actuaries and Consultants (Pty) Ltd (Registration number: 2001/008015/07) (**NAC**), as its Investment Consultant. The performance of the Fund is dependent on the fluctuations of the underlying financial instruments, exchange rates and other economic factors. Past performance is not a guarantee for future performance. No guarantees are provided in relation to portfolio investment performance. NAC does not accept any liability or responsibility of whatsoever nature and however arising in respect of any claim, damage, loss or expense relating to or arising out of or in connection with the reliance by anyone on the contents of this document. Copyright of this document will remain vested with NAC and may not be reproduced to anyone in part or whole without the prior written consent of NAC.

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

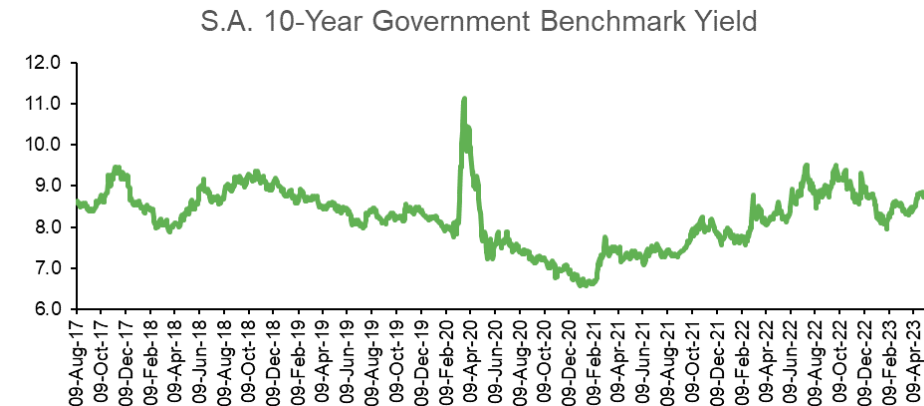
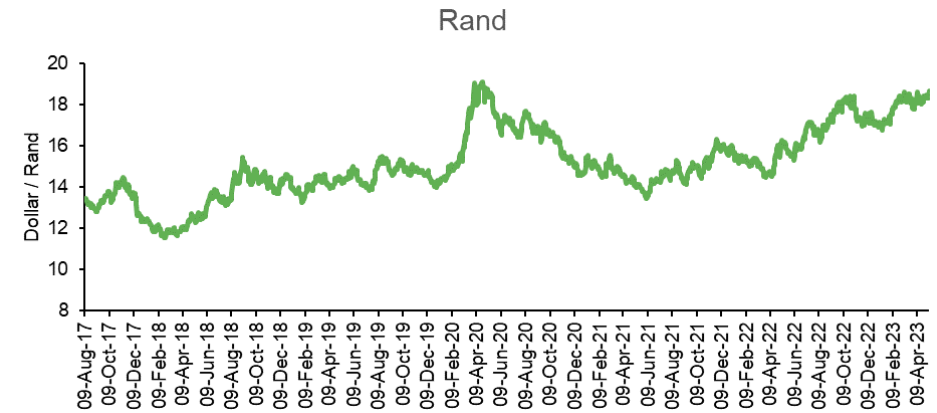


DOMESTIC MARKET VIEW



The SA Reserve Bank stunned the market with a narrow 3:2 vote to hike the repo rate by 50 basis points instead of the widely expected 25 bps, prompted by sharply higher inflation estimates. While equity markets received this as a negative on the day due to the economic headwinds implied, the rand rallied almost 2%, partly closing the gap created by the Fed's aggressive rate hike path with an ever-more attractive carry trade by investing in SA fixed income.

The All-Share Index recorded a 2.8% gain in April, while the Capped SWIX rose by 3.4%, leaving it amongst the best-performing emerging market bourses YTD. Gold counters and platinum group metal stocks outperformed in April, buoyed by higher commodity prices, while SA-focused shares were patchy as ongoing loadshedding continued to weigh heavily on sentiment. The Resi-10 soared 4.2%, while the SA Listed Property Index advanced by 3.8%, and the Indi-25 rose 3.0%. The Fini-15 also gained ground ending the month up 1.3%.



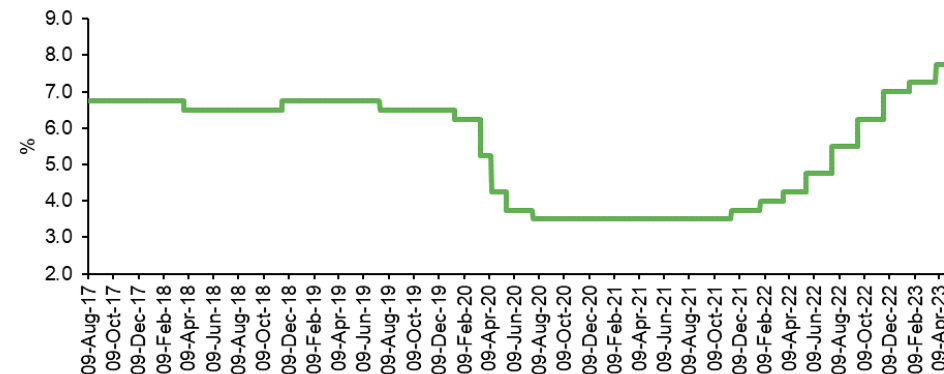
DOMESTIC MARKET VIEW

On the local economic data side, March headline inflation, as measured by the consumer price index (CPI), rose slightly (its second consecutive upward surprise), coming in at 7.1% vs February's 7.0% print. For the month, CPI rose 1.0% in March – its biggest monthly increase since July 2022 when it came in at 1.5%.

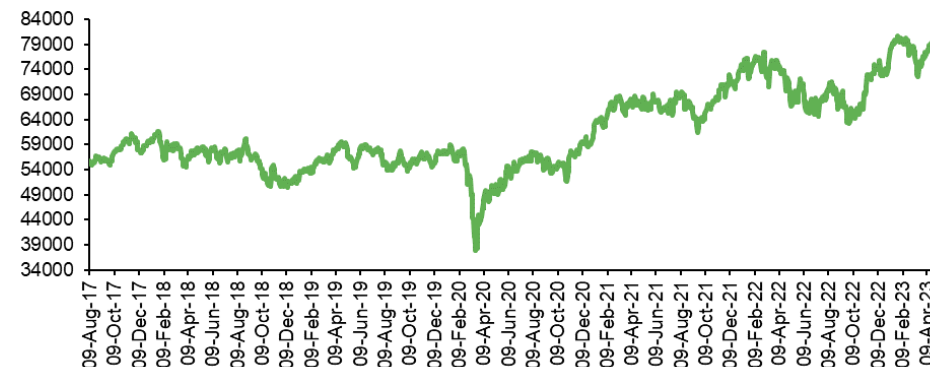
Stubbornly high food price increases were again at the forefront of this latest increase, remaining upwardly sticky and contributing about one-third of the increase in the headline reading. Local retail trade sales shrank for a third consecutive month ending down 0.1% in February, compared to a 1.5% increase decline in January.

The South African 10-year government bond yields drifted higher in April, ending the month at 11.4%, the highest level since late 2022 when the prospect of impeachment of President Cyril Ramaphosa rattled foreign investors. The drift higher in local bond yields came despite a generally benign environment for global bond yields in April.

Repo Rate



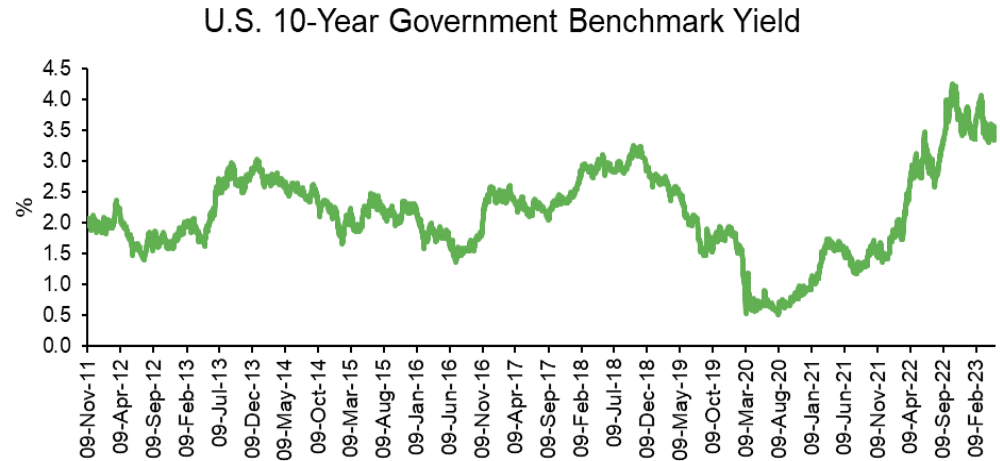
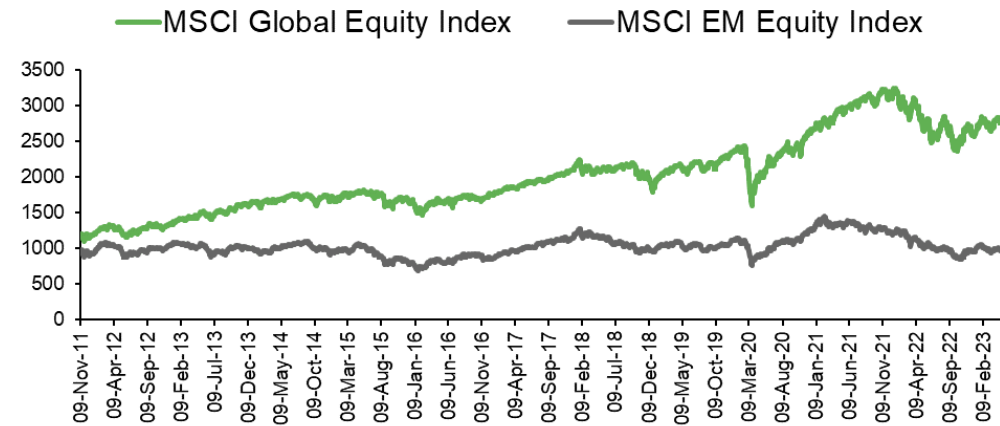
FTSE/JSE All Share Index



INTERNATIONAL MARKET VIEW

Data released during April was positive for the global economy, with growth remaining astonishingly resilient in the face of higher interest rates. The Purchasing Managers Index (PMI) surveys in the United States, Europe, and the United Kingdom all came in above forecasts, and China's Q1 GDP print was also higher than predicted.

Falling energy costs aided in lowering headline inflation in the main developed economies, with energy's share turning negative in the US and the eurozone. Due to the lags imposed by the energy price cap, fuel prices declined in the United Kingdom while the contribution from broader energy remained positive. While OPEC proposed a production cut aiming at stabilizing oil prices at roughly \$80 per barrel, the comparison with sky-high 2022 pricing means energy will continue to drag on inflation in the coming months.

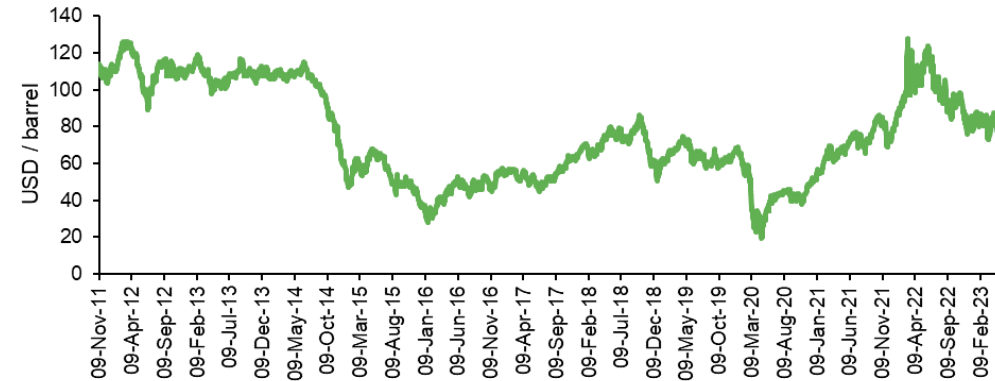


INTERNATIONAL MARKET VIEW

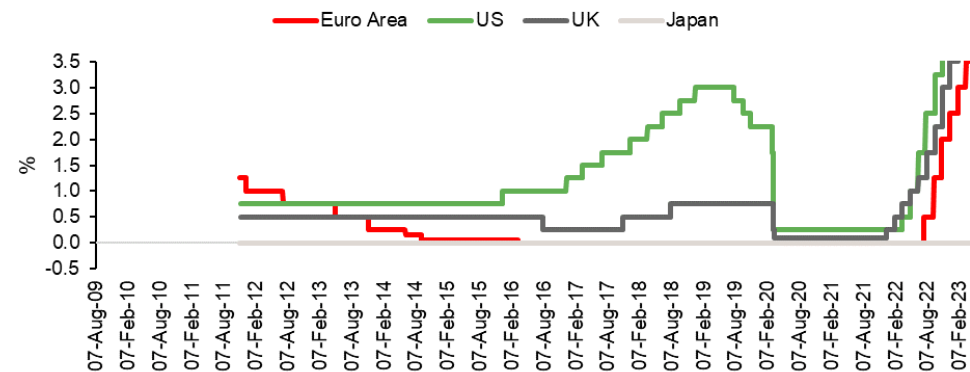
Despite additional stress in the financial sector, the solid economic momentum boosted risk assets. Over the month, developed market equities increased 1.8%, with value firms outpacing their growth rivals somewhat. Global bonds returned 0.4%, with investment grade credit accounting for a substantial portion of this, returning 1.2% throughout the month.

While near-term recessionary risk seems to have receded somewhat, the closure of another US financial institution at the end of April highlights that the cumulative impact of central bank tightening has still not been fully felt by developed economies. This means that despite the recent improvement in the business surveys, portfolio diversification remains essential in the face of significant recession risk.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION



RSA BONDS

South African bonds lagged their developed and emerging markets counterparts during April. The rand had one of the poorest performances among emerging market currencies during the quarter, falling 4.3%. Additionally, SA bonds underperformed, with their spread over US bonds increasing by 20 bps despite tightening spreads in several other developing markets.

The FTSE/JSE All Bond Index (ALBI) returned 3.39% throughout the quarter, outperforming cash's return of 1.70%; nevertheless, for the 12-month period ending in March, the ALBI returned 5.83% vs cash's 5.63% return.

The shift in the yield curve's structure, which saw maturities of 7 to 12 years outperform those of more than 12 years as the latter's steepened significantly over the last quarter, was primarily responsible for the ALBI's good return. The ALBI and cash have performed better than inflation-linked bonds (ILBs) over the past quarter (ILBs +0.94%) and year (ILBs +4.92%). This has mostly been caused by a rise in real yields that has kept pace with nominal bond prices as well as a decline in inflation accrual.

We remain of the view that local bonds offer value due to its relative under-performance and therefor remain slightly over-weight the asset class.

RSA PROPERTY, ALTERNATIVES AND CASH

During April, listed property experienced a good month ending up 5.36%. During 2022, the retail sector's recovery was still going strong, and most merchants saw increases in profits. Retail sales of food and clothing both experienced a significant uptick in trading density over the past year and have increased by 8%.

The overall vacancy rates across the country have continued to improve. National retailers have aggressively expanded into places where they do not already have a presence and found new niches for future growth in areas where they do already have a presence to fill the space left by business closures, such as bank branches and movie theaters.

The forecast for the world economy in 2023 is still unknown, and possible recessionary risk warnings signs along with high rates don't bode well for the sector. There is a downside risk to the demand for space in the future since occupiers of physical real estate will typically continue to be reluctant to expand their facilities or recruit new staff in this uncertain environment. The SARBs rate hiking cycle also does not warrant an increase in our allocation.

RSA MONEY MARKET

The 3-m JIBAR rate jumped by 51bp to end the month at 7.96%, while the 12-m JIBAR rate rose by 18bp to 9.0%. Over the last 12 months, these rates are up 359bp and 260bp, respectively. The 12-m T-bill average yield rose 49bp m/m to 8.56% at the end of April.

RSA EQUITIES

The FTSE JSE Capped SWIX increased by 3.4% MoM, while the FTSE JSE All Share Index saw a 2.8% MoM rise (+7.1% YTD). Higher commodity prices helped gold stocks and platinum group metal (PGM) equities perform better in April, while loadshedding-related shares in South Africa had sporadic performance. The Indi-25 increased by 3.0% MoM (+17.4% YTD), and the Resi-10 increased by 4.2% MoM (-2.5% YTD). Additionally, the Fini-15 advanced (+1.3% MoM and +1.1%/YTD).

By market capitalization, the largest business listed on the JSE, BHP Group, lost 4.7%, while Prosus, the second-largest listed share, down 1.3% month-over-month. Naspers experienced a 1.0% MoM decline. The third-largest listed business, Anheuser Busch InBev, increased 0.4% MoM.

The mining sector outperformed overall in April, with gains from Anglo American Platinum (Amplats), Gold Fields, and Glencore totaling 19.9%, 13.6%, and 5.7%, respectively. British American Tobacco saw a MoM rise of 7.2%. The rand lost 2.7% MoM value against the US dollar and 6.9% over

the past year. We have reduced our underweight to this asset class to neutral mostly on the back of relative valuations.

INTERNATIONAL

Data released during April was positive for the global economy, with growth remaining astonishingly resilient in the face of higher interest rates. The Purchasing Managers Index (PMI) surveys in the United States, Europe, and the United Kingdom all came in above forecasts, and China's Q1 GDP print was also higher than predicted.

Falling energy costs aided in lowering headline inflation in the main developed economies, with energy's share turning negative in the US and the eurozone. Due to the lags imposed by the energy price cap, fuel prices declined in the United Kingdom while the contribution from broader energy remained positive. While OPEC proposed a production cut aiming at stabilizing oil prices at roughly \$80 per barrel, the comparison with sky-high 2022 pricing means energy will continue to drag on inflation in the coming months.

Despite additional stress in the financial sector, the solid economic momentum boosted risk assets. Over the month, developed market equities increased 1.8%, with value firms outpacing their growth rivals somewhat.

Global bonds returned 0.4%, with investment grade credit accounting for a substantial portion of this, returning 1.2% throughout the month.

While near-term recessionary risk seems to have receded somewhat, the closure of another US financial institution at the end of April highlights that the cumulative impact of central bank tightening has still not been fully felt by developed economies. This means that despite the recent improvement in the business surveys, portfolio diversification remains essential in the face of significant recession risk.

**NOVARE HOUSE VIEW: April 2023
TACTICAL POSITIONING***

	UNDER-WEIGHT ←	ON-WEIGHT	→	OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight				
Equities		100%			95%
Bonds		100%			100%
Property	95%				95%
Alternatives		100%			100%
Cash		Balancing			
OFFSHORE			110%		120%
Equities	90%				90%
Bonds	90%				80%
Property	90%				90%
Alternatives			115%		125%
AFRICA		100%			100%

* positioning is as a % of strategic asset allocation

Summary:

Novare remains onweight domestic equities, domestic bonds and underweight domestic property; whilst maintaining an overweight to international assets. Due to the limit of 45% to international assets, the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
--

TACTICAL ASSET ALLOCATION

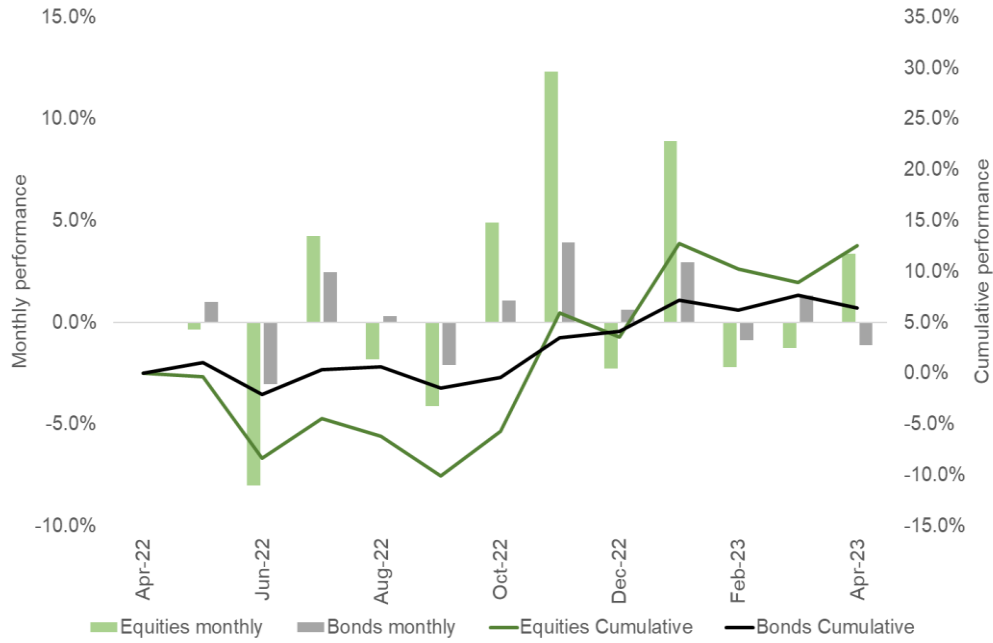
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	1.5%	1.7%	9.0%	2.6%	12.6%	7.6%
MSCI Emerging Markets	-1.1%	-4.7%	2.9%	-6.1%	4.7%	-0.7%
Global Bonds (R)	6.4%	8.4%	14.5%	16.4%	-3.2%	7.6%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	0.6%	-6.0%	-6.5%	-25.0%	44.8%	1.5%
Platinum (USD/oz)	8.3%	6.2%	0.1%	14.4%	11.4%	3.5%
Gold (USD/oz)	1.0%	4.4%	9.1%	4.9%	5.0%	8.6%

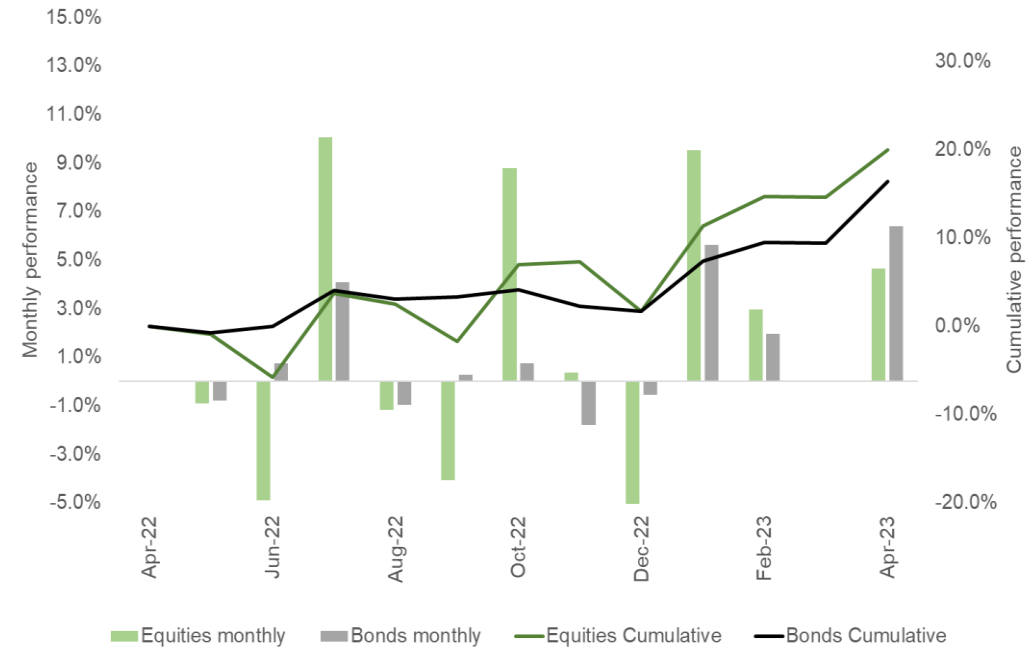
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	3.4%	-0.2%	8.7%	12.6%	20.2%	10.0%
Domestic Bonds	-1.1%	-0.7%	2.2%	6.4%	9.8%	6.8%
Domestic Cash	0.6%	1.8%	2.4%	6.2%	4.9%	5.8%
Domestic Property	5.4%	1.0%	0.0%	3.3%	17.6%	-4.5%
International Equity	4.6%	7.7%	18.0%	19.9%	13.2%	17.4%
International Bonds	6.4%	8.4%	14.5%	16.4%	-3.2%	7.6%
Exchange rate (R / \$)	2.8%	5.0%	7.4%	15.6%	-0.4%	8.0%

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

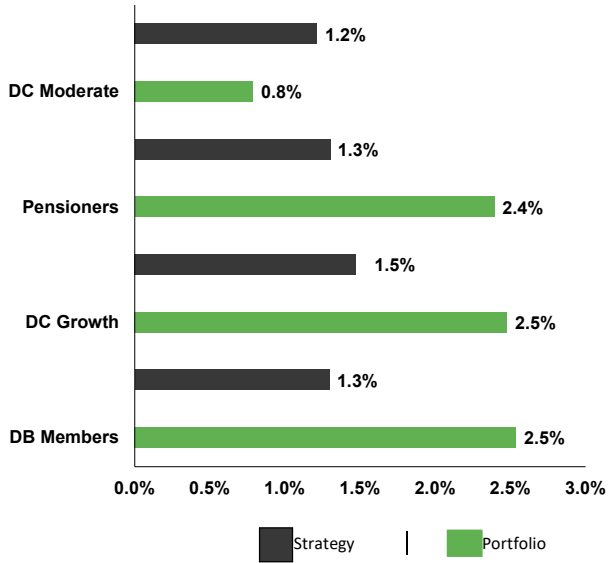


EXECUTIVE SUMMARY

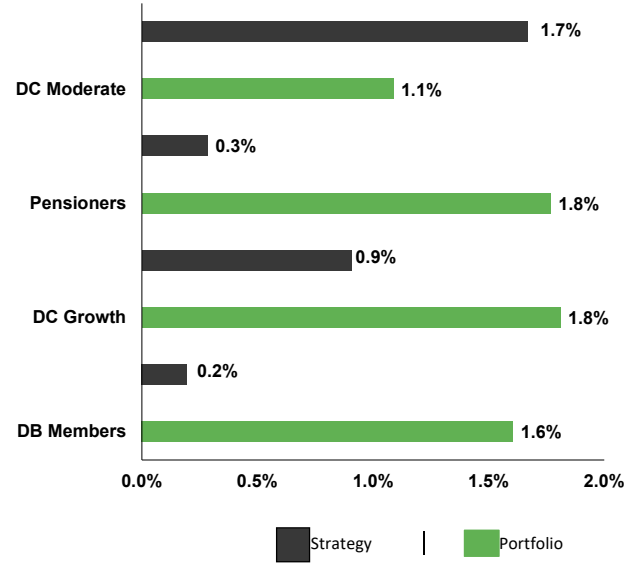
SHORT TERM RETURNS VERSUS STRATEGIES



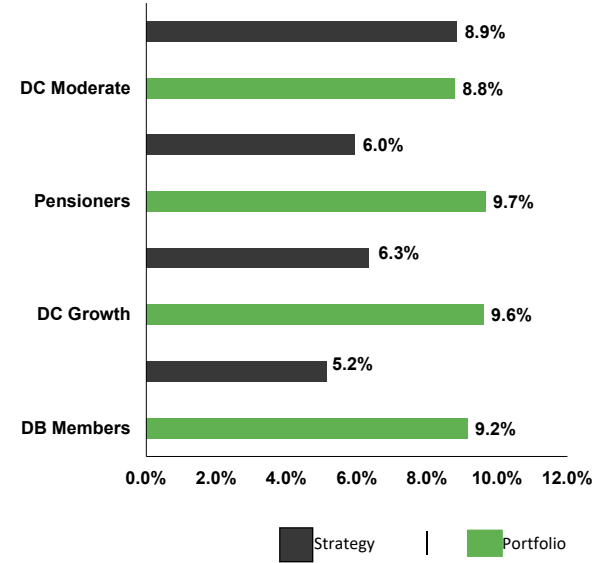
Monthly Return for April 2023



3 Months Return up to April 2023



1 Year Return up to April 2023



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.

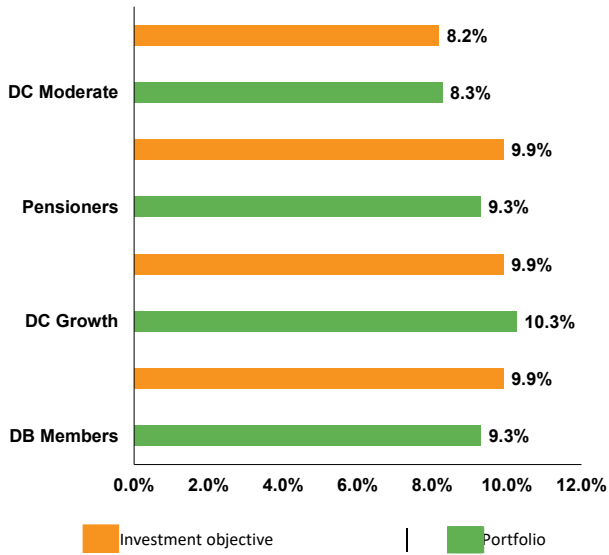
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 318 264 838	65.6%	2.5%	1.6%	7.0%	9.2%
			1.3%	0.2%	3.3%	5.2%
			1.2%	1.4%	3.7%	4.0%
DC Growth Strategy	2 439 788 735	19.2%	2.5%	1.8%	7.1%	9.6%
			1.5%	0.9%	4.0%	6.3%
			1.0%	0.9%	3.1%	3.3%
DC Moderate Strategy	334 058 371	2.6%	0.8%	1.1%	4.2%	8.8%
			1.2%	1.7%	5.0%	8.9%
			-0.4%	-0.6%	-0.7%	-0.1%
Pensioner Strategy	1 589 853 860	12.5%	2.4%	1.8%	6.5%	9.7%
			1.3%	0.3%	3.2%	6.0%
			1.1%	1.5%	3.3%	3.7%
	12 681 965 804	100%				

EXECUTIVE SUMMARY

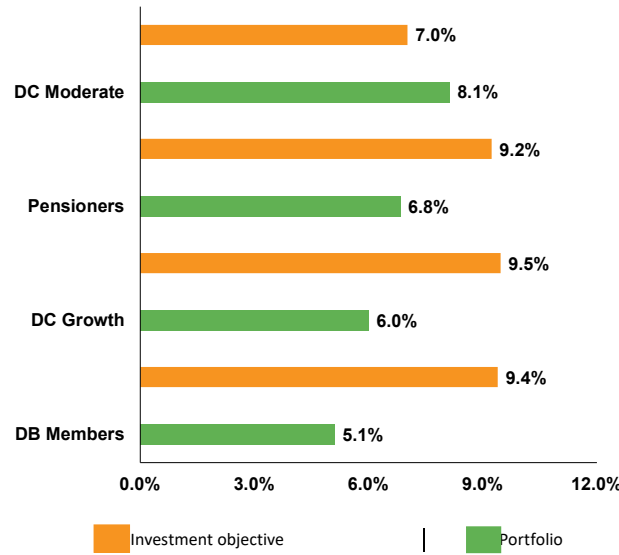
LONG TERM RETURNS VERSUS OBJECTIVES



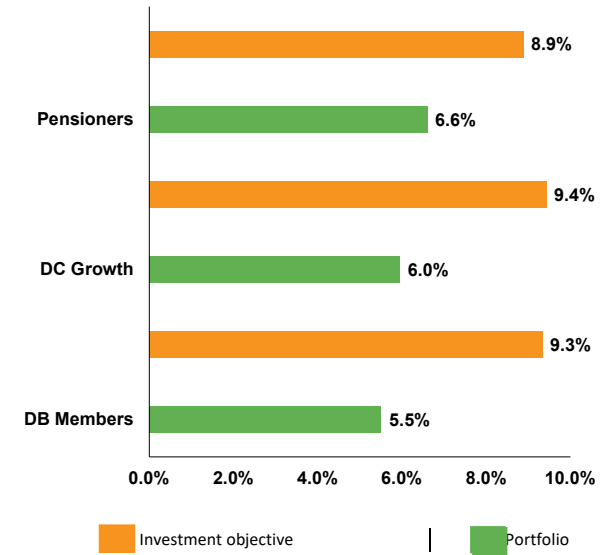
3 Year Return up to April 2023



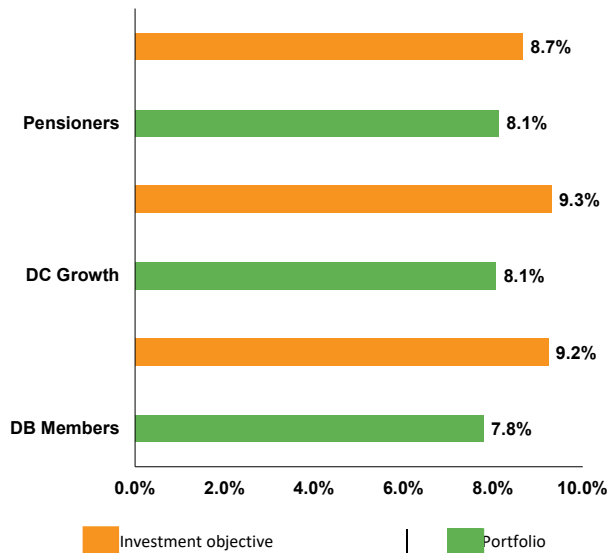
5 Year Return up to April 2023



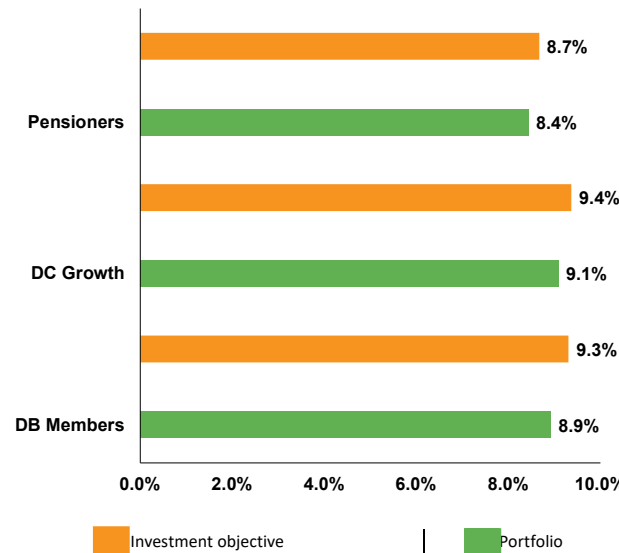
8 Year Return up to April 2023



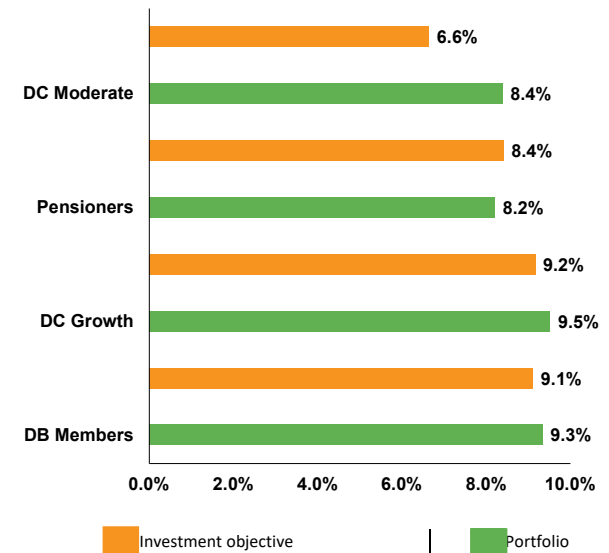
10 Year Return up to April 2023



12 Year Return up to April 2023



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

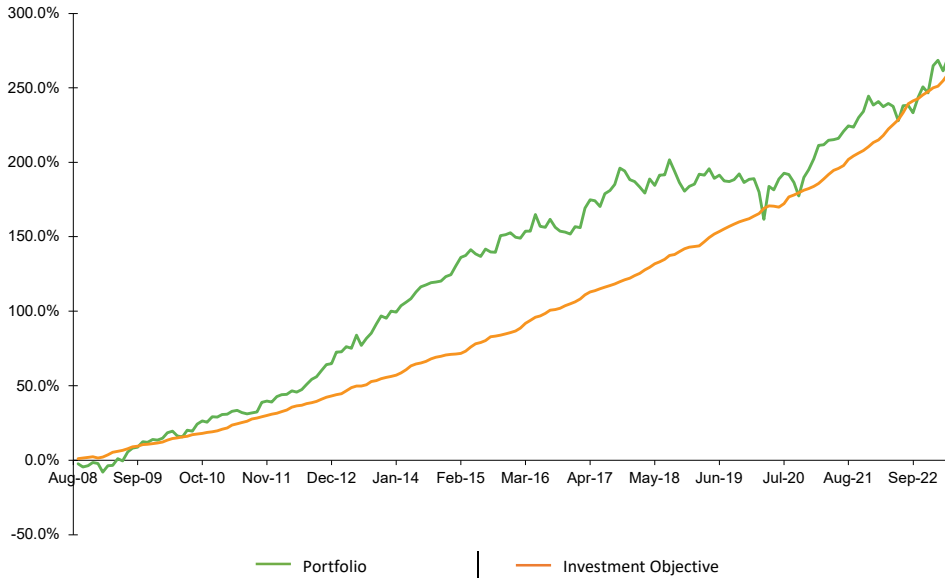
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	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	8 318 264 838	65.6%	9.3%	5.1%	5.5%	7.8%	8.9%	9.3%
Objective			9.9%	9.4%	9.3%	9.2%	9.3%	9.1%
			-0.6%	-4.3%	-3.8%	-1.4%	-0.4%	0.2%
DC Growth	2 439 788 735	19.2%	10.3%	6.0%	6.0%	8.1%	9.1%	9.5%
Objective			9.9%	9.5%	9.4%	9.3%	9.4%	9.2%
			0.3%	-3.5%	-3.5%	-1.2%	-0.3%	0.4%
DC Moderate	334 058 371	2.6%	8.3%	8.1%	-	-	-	8.4%
Objective			8.2%	7.0%	-	-	-	6.6%
			0.1%	1.1%	-	-	-	1.7%
Pensioner	1 589 853 860	12.5%	9.3%	6.8%	6.6%	8.1%	8.4%	8.2%
Objective			9.9%	9.2%	8.9%	8.7%	8.7%	8.4%
			-0.6%	-2.4%	-2.3%	-0.5%	-0.2%	-0.2%
	12 681 965 804	100%						

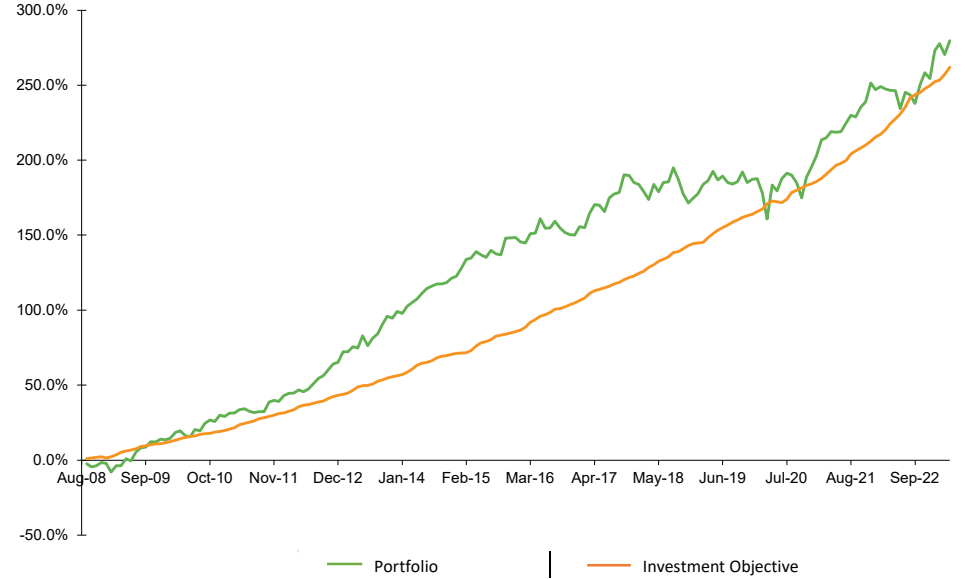
LONG TERM RETURNS

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.

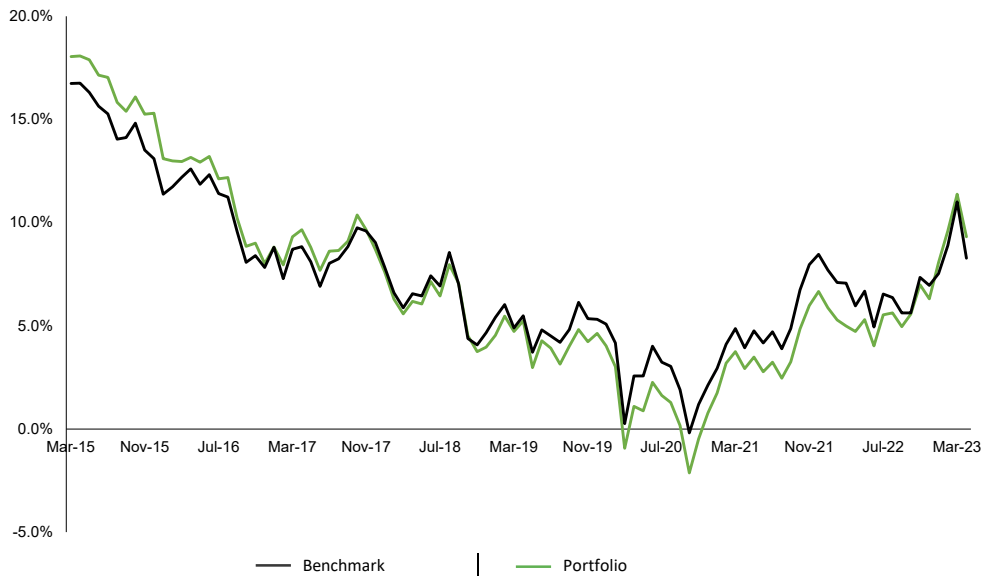
DB Members - Cumulative return since 30 September 2009



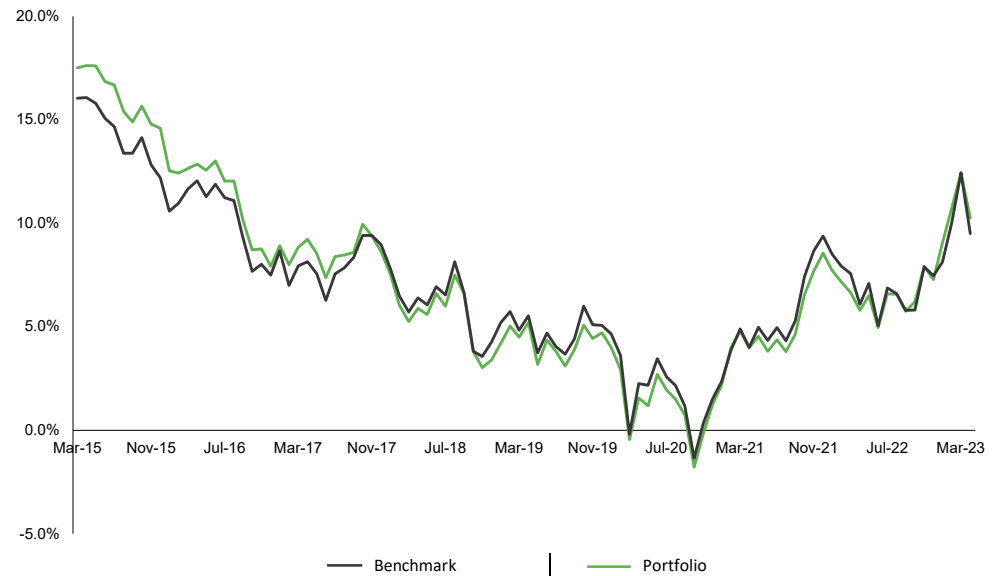
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



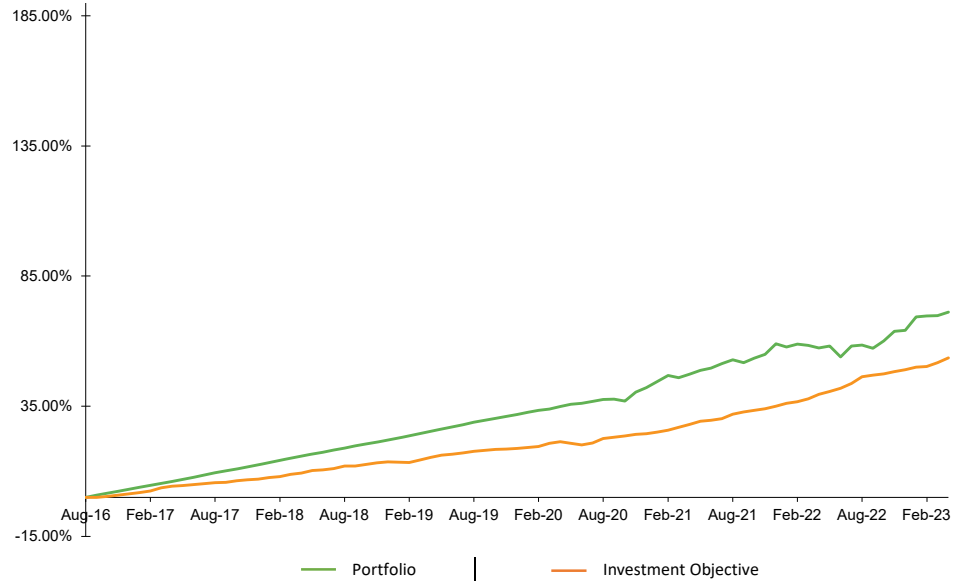
DC Growth - 3 Year Rolling Returns



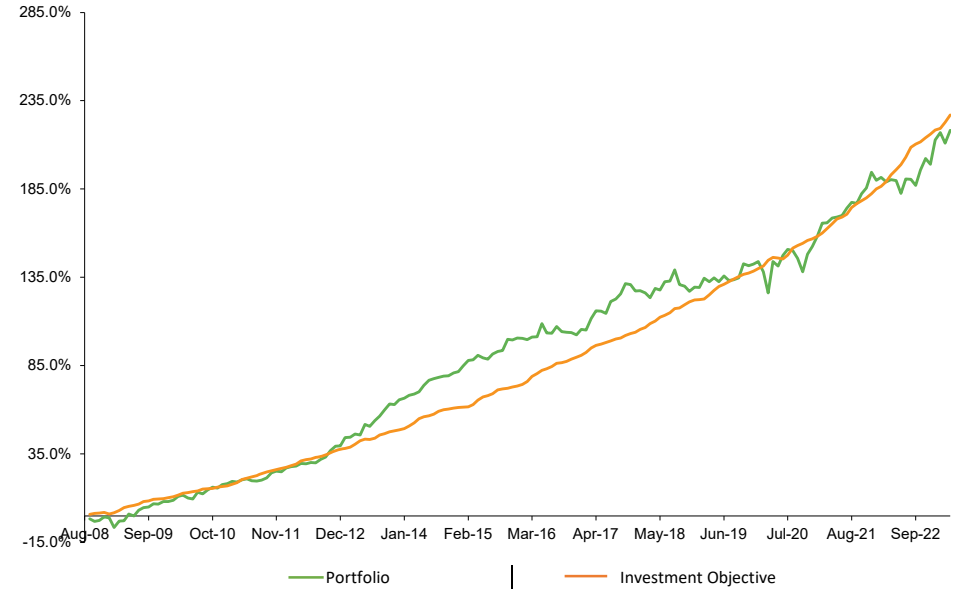
LONG TERM RETURNS

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.

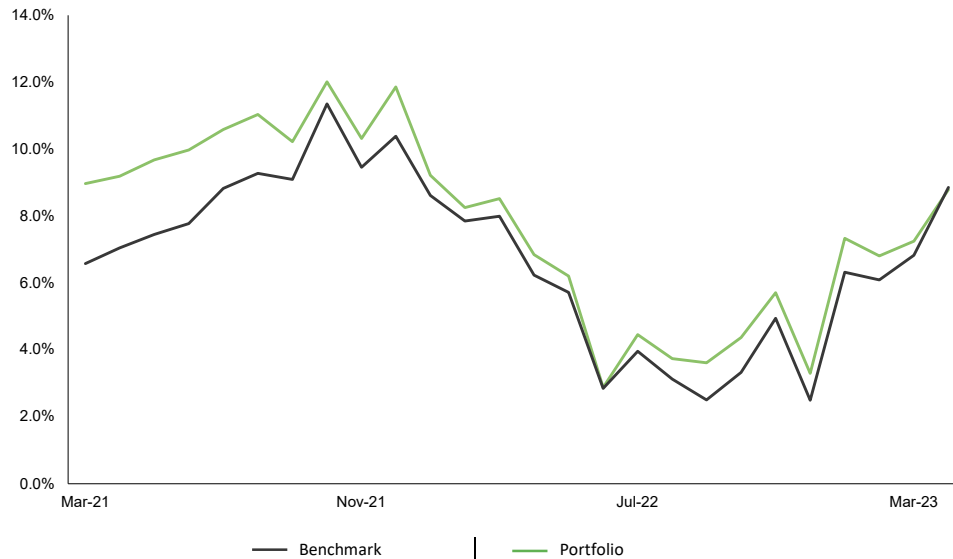
DC Moderate - Cumulative return since 30 September 2016



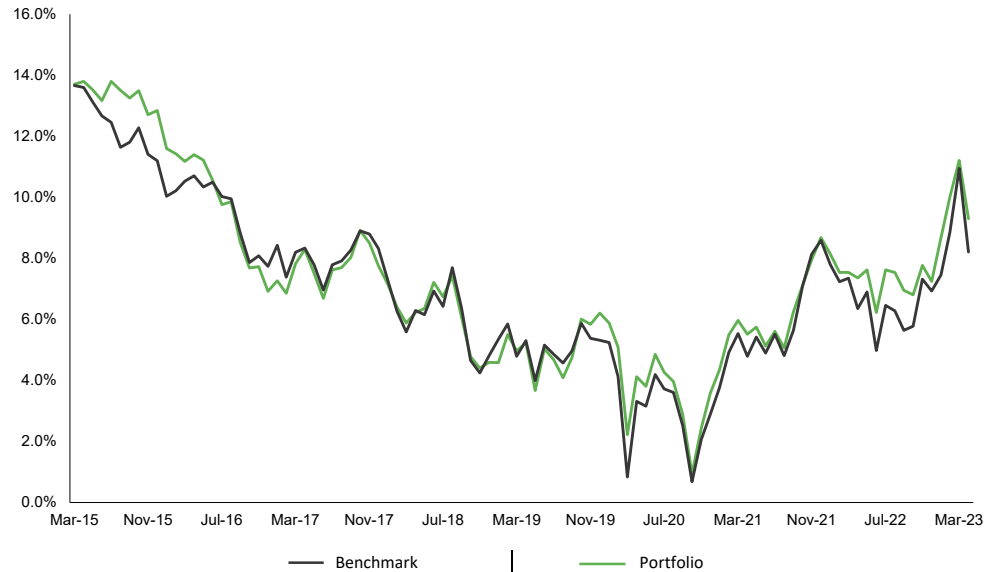
Pensioner - Cumulative return since 31 August 2008



DC Moderate - 1 Year Rolling Returns



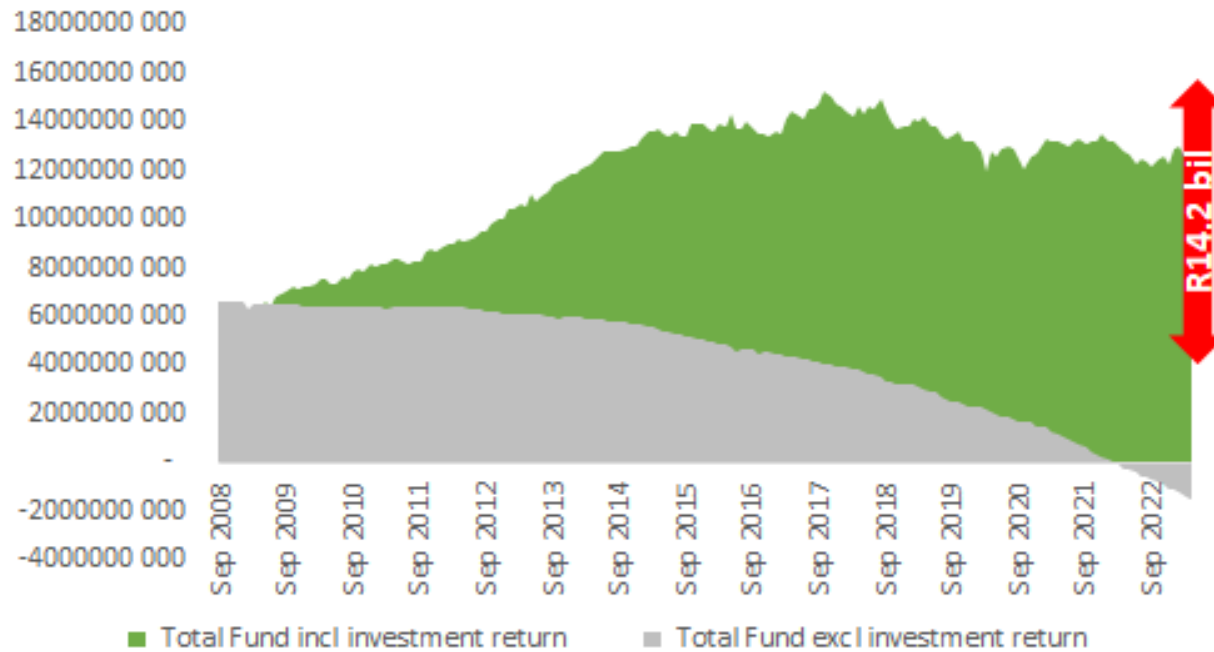
Pensioner - 3 Year Rolling Returns



LONG TERM RETURNS

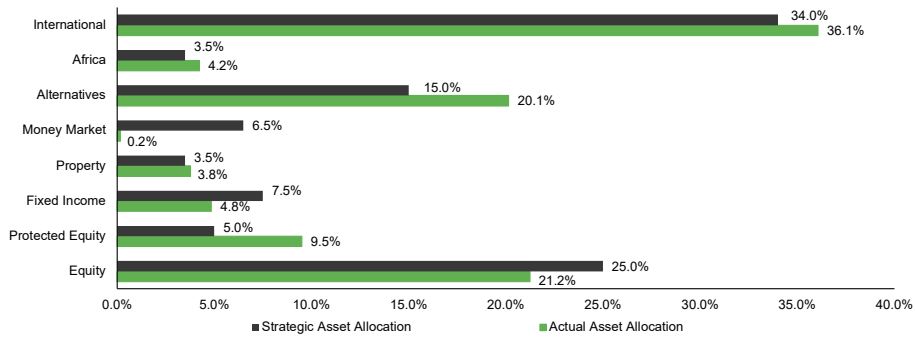
Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

Estimate Value Added through Investment Returns since Inception

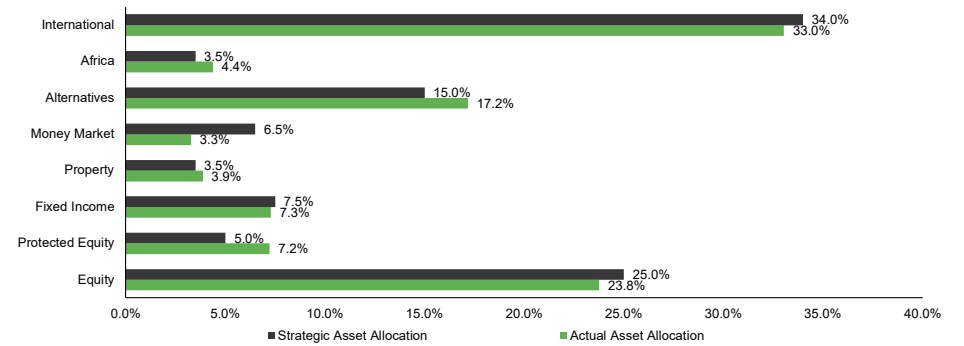


ASSET ALLOCATION

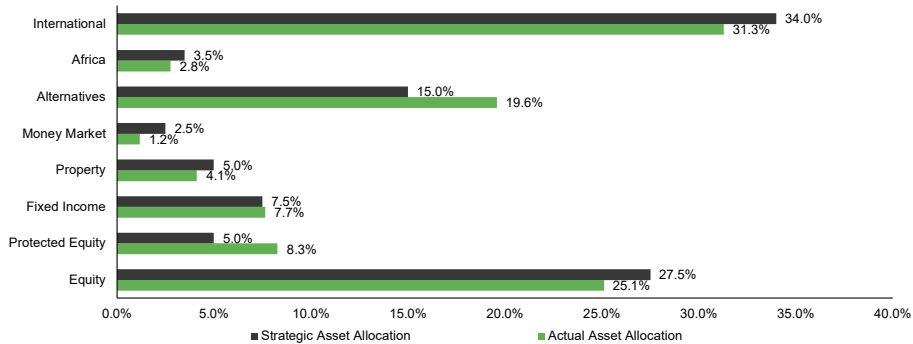
DB Members



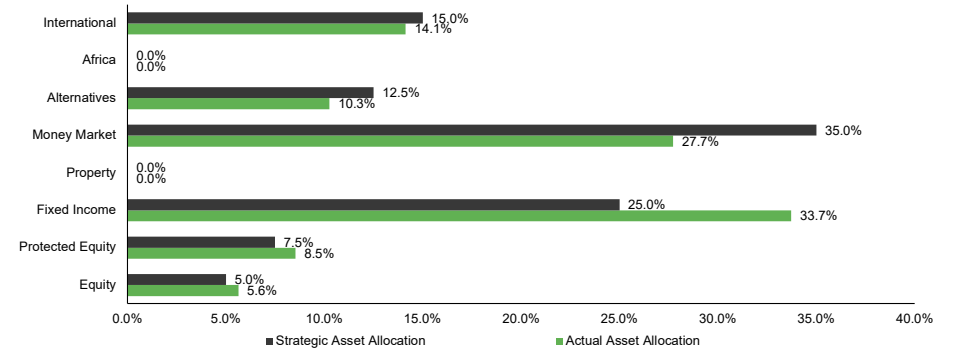
Pensioner



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	460 142 288.02	3.6%	2.3%	-2.2%	11.6%	22.4%	-	11.4%
	JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%
					-1.1%	-1.3%	3.7%	3.3%	-	1.6%
	Aluwani Capital Equity	2018/10/31	476 056 594.77	3.8%	3.5%	-1.3%	6.8%	16.1%	-	8.8%
	JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%
					0.1%	-0.4%	-1.1%	-2.9%	-	-1.0%
	Argon Equity	2018/10/31	319 214 314.75	2.5%	3.5%	-1.1%	10.0%	19.1%	-	10.0%
JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%	
				0.1%	-0.2%	2.0%	0.0%	-	0.2%	
Satrix Equity	2018/10/31	292 094 259.34	2.3%	3.4%	-2.0%	5.1%	18.6%	-	10.0%	
JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%	
				0.0%	-1.0%	-2.8%	-0.5%	-	0.2%	
Vunani Equity	2018/10/31	261 284 707.87	2.1%	3.5%	-0.9%	7.5%	18.2%	-	9.5%	
JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%	
				0.0%	0.0%	-0.5%	-0.8%	-	-0.3%	
Mianzo Equity	2018/10/31	536 748 628.09	4.2%	3.2%	-1.2%	9.2%	21.4%	-	10.9%	
JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%	
				-0.2%	-0.2%	1.3%	2.3%	-	1.2%	
Balondolozzi Equity	2018/10/31	374 651 628.70	3.0%	3.8%	-1.0%	10.9%	18.4%	-	9.7%	
JSE Capped Share Weighted Index				3.4%	-0.9%	7.9%	19.0%	-	9.8%	
				0.4%	-0.1%	3.0%	-0.6%	-	0.0%	
Equity Incubation	LIMA Mbeu Equity	2022/07/31	55 902 850.00	0.4%	3.1%	-2.3%	-	-	-	11.9%
JSE Capped Share Weighted Index					3.4%	-0.9%	-	-	-	12.8%
					-0.3%	-1.4%	-	-	-	-0.9%
Protected Equity	Mergence Structured Product	2019/11/01	694 219 366.04	5.5%	4.7%	2.7%	14.6%	22.0%	-	17.7%
	JSE All Share Index Top 40				3.0%	-1.2%	10.9%	16.0%	-	11.0%
					1.7%	3.8%	3.8%	6.1%	-	6.8%
MAC Dynamic Protected Equity	2022/06/01	283 033 776.20	2.2%	1.9%	1.4%	-	-	-	-	12.7%
SALA_MAC_Dynamic_Custom 80% DTop, 20% SteFi					2.5%	-0.6%	-	-	-	10.3%
					-0.6%	2.0%	-	-	-	2.5%
Protected Equity Incubation	REGIVE Protected Equity	2022/02/01	158 733 000.01	1.3%	-2.1%	-3.2%	10.9%	-	-	4.7%
SALA REGIVE SP Custom					3.0%	-1.2%	10.9%	-	-	5.6%
					-5.1%	-2.0%	0.0%	-	-	-0.9%

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	656 683 674.07	5.2%	-1.2%	-0.6%	8.6%	12.5%	8.4%	10.7%	
					-1.1%	-0.7%	6.4%	9.8%	6.8%	8.5%	
						-0.1%	0.1%	2.1%	2.7%	1.6%	2.2%
	Stanlib Bond All Bond Index	2008/08/31	161 626 773.59	1.3%	-1.2%	-0.9%	6.7%	10.5%	7.4%	9.3%	
-1.1%					-0.7%	6.4%	9.8%	6.8%	8.5%		
					0.0%	-0.3%	0.2%	0.7%	0.6%	0.8%	
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.3%	-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Unlisted Property	Meago Property Listed Property	2012/08/31	317 689 645.09	2.5%	5.3%	0.2%	2.0%	17.9%	-4.2%	3.6%	
					5.4%	1.0%	3.3%	17.6%	-3.7%	2.9%	
					-0.1%	-0.9%	-1.2%	0.3%	-0.5%	0.6%	
Unlisted Property	Umthombo IF1 NO BENCHMARK	2022/12/01	41 141 050.01	0.3%	-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market	Sanlam Cash STEFI Composite	2010/09/30	28 910 029.30	0.2%	0.5%	2.0%	7.5%	5.6%	6.6%	7.1%	
					0.6%	1.8%	6.2%	4.9%	5.8%	6.1%	
						-0.1%	0.2%	1.2%	0.7%	0.8%	1.0%
	Transition Account	2009/02/28	2 435 618.43	0.0%	-	-	-	-	-	-	
-					-	-	-	-	-		
					-	-	-	-	-	-	
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	156 740 879.17	1.2%	0.7%	1.8%	6.4%	5.3%	-	5.8%	
					0.6%	1.8%	6.2%	4.9%	-	5.6%	
					0.1%	0.1%	0.2%	0.5%	-	0.2%	
Hedge Funds	Mayibentsha Focused CPI + 4.5%	2011/07/31	506 508 344.79	4.0%	0.6%	-0.4%	7.8%	11.4%	8.9%	8.1%	
					1.3%	2.7%	11.6%	9.9%	9.5%	9.8%	
					-0.8%	-3.1%	-3.7%	1.5%	-0.6%	-1.7%	
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	423 456 737.24	3.3%	0.3%	1.0%	9.5%	9.2%	8.1%	7.9%	
					1.2%	2.3%	9.6%	7.9%	7.5%	7.8%	
					-1.0%	-1.3%	-0.1%	1.3%	0.6%	0.1%	
Mayibentsha Moderate CPI + 3.5%	2008/08/31	334 748 095.69	2.6%	0.5%	-0.1%	8.0%	10.6%	8.8%	8.6%		
				1.3%	2.5%	10.6%	8.9%	8.5%	8.6%		
				-0.7%	-2.6%	-2.6%	1.7%	0.3%	0.0%		

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
Hedge Funds	Terebinth Capital STEFI	2020/01/31	72 587 894.34	0.6%	0.0%	2.8%	18.3%	10.9%	-	12.2%
					0.6%	1.8%	6.2%	4.9%	-	5.0%
					-0.6%	1.1%	12.0%	6.1%	-	7.2%
Private Equity	Sampada Private Equity NO BENCHMARK	2015/09/30	250 921 757.85	2.0%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2 NO BENCHMARK	2019/01/31	301 888 323.33	2.4%	-	-	-	-	-	-
Private Equity Incubation	Boxwood Property Fund Hurdle Rate (CPI +3%)	2020/03/31	80 398 295.14	0.6%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Summit Africa Hurdle Rate (CPI +5%)	2019/11/30	157 611 013.94	1.2%	-	-	-	-	-	-
Legacy Africa Hurdle Rate	2020/01/31	250 525 822.77	2.0%	-	-	-	-	-	-	
Other	REAL Fund STEFI	2022/03/01	10 046 862.04	0.1%	0.0%	0.0%	-0.3%	-	-	0.3%
					0.6%	1.8%	6.2%	-	-	6.0%
					-0.6%	-1.8%	-6.5%	-	-	-5.7%
Other Incubation	Tamela Capital NO BENCHMARK	2020/01/31	30 630 904.65	0.2%	-	-	-	-	-	-
Africa	Novare Africa Property Fund 1 10% in USD	2010/07/31	360 844 585.31	2.8%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Novare Africa Property Fund 2 10% in USD	2014/07/31	128 678 534.13	1.0%	-	-	-	-	-	-	
International	Novare Global Balanced SALA NBAUIS Fund	2008/08/31	3 234 657 901.63	25.5%	3.4%	4.2%	13.5%	3.1%	8.5%	10.3%
					6.1%	6.5%	11.5%	3.4%	11.1%	10.1%
					-2.7%	-2.3%	2.0%	-0.4%	-2.6%	0.2%
SALA Global Fund	2022/04/01	1 101 451 624.16	8.7%	5.5%	5.5%	12.3%	-	-	12.0%	
					4.4%	5.3%	14.5%	-	-	12.6%
					1.1%	0.2%	-2.2%	-	-	-0.5%
			12 681 965 804	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	269 557 060.0	117 620 063.0	5 822 336.3	67 142 828.8	460 142 288.0
	Aluwani Capital Equity	277 238 909.8	145 370 810.9	1 428 855.8	52 018 018.3	476 056 594.8
	Argon Equity	212 251 438.8	92 985 140.0	1 235 699.6	12 742 036.4	319 214 314.8
	Balondolozzi Equity	277 323 880.4	82 247 128.2	1 096 676.0	13 983 944.1	374 651 628.7
	Mianza Equity	290 975 306.2	127 458 521.5	6 517 681.1	111 797 119.3	536 748 628.1
	Satrix Equity	208 701 256.3	22 327 378.8	1 024 587.4	60 041 036.8	292 094 259.3
	Vunani Equity	200 772 543.5	8 277 847.9	356 581.1	51 877 735.3	261 284 707.9
	Lima Equity	30 054 632.6	16 306 930.8	1 343 258.4	8 198 028.2	55 902 850.0
Protected Equity	Mergence Structured Product	466 101 280.2	143 575 752.5	18 627 376.0	65 914 957.3	694 219 366.0
	MAC Dynamic Protected Equity	194 550 622.4	48 217 948.0	6 563 519.2	33 701 686.6	283 033 776.2
	Regive Protected Equity	129 888 627.5	10 357 375.9	3 327 302.5	15 159 694.1	158 733 000.0
Fixed Income	Futuregrowth Infrastructure Bond	347 111 614.5	145 290 073.0	74 618 981.8	89 663 004.8	656 683 674.1
	Stanlib Bond	56 173 595.1	41 370 257.6	38 018 017.5	26 064 903.5	161 626 773.6
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3
	Meago Property	187 865 734.5	100 682 563.0		29 141 347.6	317 689 645.1
Unlisted Property	Umthombo IF1	28 587 886.9	8 487 671.9		4 065 491.2	41 141 050.0
Money Market	Cartesian Capital Money Market	9 305 460.8	11 414 840.2	90 333 518.2	45 687 059.9	156 740 879.2
	Sanlam Cash	2 814 751.7	17 403 423.6	2 252 907.1	6 438 946.8	28 910 029.3
	Transition Account	2 435 618.4				2 435 618.4
Hedge Funds	Mayibentsha Focused	323 771 241.1	103 394 797.2	7 717 934.7	71 624 371.8	506 508 344.8
	Mayibentsha Market Neutral	316 456 268.1	56 208 561.0	7 091 915.1	43 699 993.0	423 456 737.2
	Mayibentsha Moderate	205 781 104.1	73 206 834.1	10 016 452.4	45 743 705.0	334 748 095.7
	Terebinth Capital	57 612 467.1	2 091 664.0	9 307 074.3	3 576 689.0	72 587 894.3
Private Equity	Summit Africa	79 685 218.5	49 029 316.8		28 896 478.7	157 611 013.9
	Boxwood Property Fund	70 985 956.4	5 176 818.1		4 235 520.7	80 398 295.1
	Sampada Private Equity	185 133 757.5	50 224 191.4		15 563 809.0	250 921 757.9
	Sampada Private Equity 2	211 914 379.0	53 769 484.1		36 204 460.3	301 888 323.3
Private Equity Incubation	Legacy Africa	175 397 194.7	62 857 303.5		12 271 324.6	250 525 822.8
	Other	Real Fund	7 677 310.4	1 248 095.0	137 692.4	983 764.2
Other Incubation	Tamela Capital	12 288 410.1	12 153 137.6		6 189 357.0	30 630 904.7
Africa	Novare Africa Property Fund 1	259 271 711.8	50 353 933.1		51 218 940.5	360 844 585.3
	Novare Africa Property Fund 2	93 072 736.8	17 204 548.1		18 401 249.2	128 678 534.1
	Novare Global Balanced	2 198 652 925.1	601 612 674.6	31 445 546.2	402 946 755.8	3 234 657 901.6
International	SALA Global Fund	801 536 393.9	161 863 649.6	15 774 458.0	122 277 122.7	1 101 451 624.2
	Total Fund	8 318 264 837.6	2 439 788 734.7	334 058 371.1	1 589 853 860.3	12 681 965 803.7

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 35% per Regulation 28 of the Pension Fund Act, or 45% 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

CONTACT US

Novare Actuaries and Consultants (Pty) Ltd

Registration No: 2001/008015/07

Third Floor, The Cliffs Office Block I

Niagara Way, Tyger Falls

Carl Cronje Drive, Bellville, 7530

South Africa

P O Box 4742, Tyger Valley, 7536

