

NOVARE[®]
actuaries & consultants

| Monthly Report |

SALA Pension Fund

August 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	20%	Capped SWIX
Domestic Protected Equities	6.5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	2.5%	STeFI Composite Index
Domestic Alternatives	22.5%	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	20%	Capped SWIX
Domestic Protected Equities	6.5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	2.5%	STeFI Composite Index
Domestic Alternatives	22.5%	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	20%	Capped SWIX
Domestic Protected Equities	6.5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	2.5%	STeFI Composite Index
Domestic Alternatives	22.5%	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	7.5%	Capped SWIX
Domestic Protected Equities	7.5%	JSE TOP 40
Domestic Fixed Income	25%	ALBI
Domestic Money Market	32.5%	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%	40%
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%	40%
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%

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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

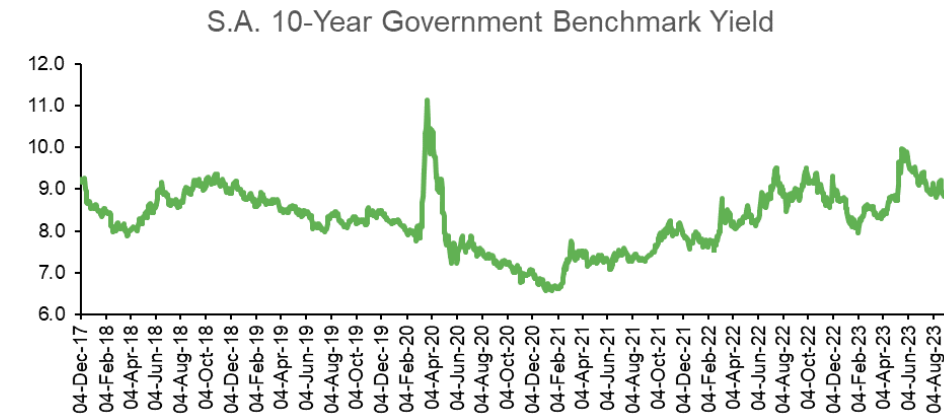
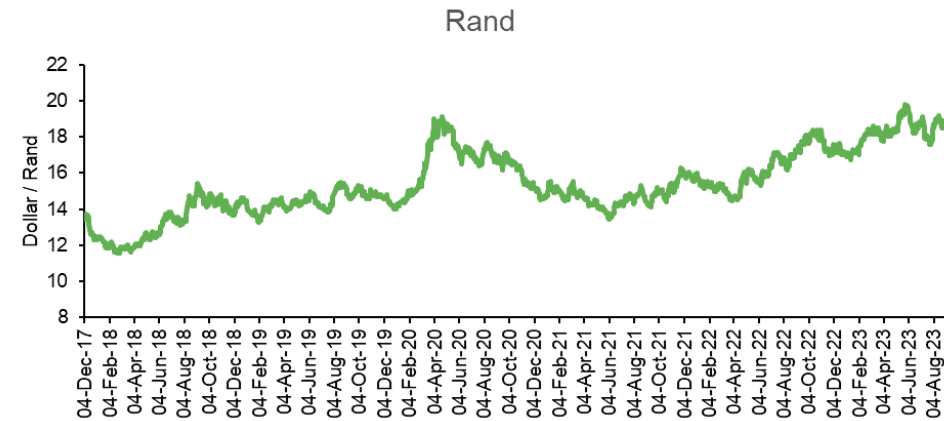


The South African stock market mirrored the decline in global equity markets, resulting in local equities maintaining only a small positive performance for the year so far. Mining stocks were the biggest drag on the JSE in August being down 9% as weak Chinese economic activity weighed on metal prices.

Platinum miners were by far the worst performers, being down 20% as the major platinum miners all reported disappointing results characterised by weak volumes and elevated costs.

Naspers and Prosus also weighed heavily on the local market, as their largest underlying investment, Chinese tech conglomerate Tencent, fell 7.3% month on month in Hong Kong dollar terms.

SA inflation data showed price growth slowing faster than anticipated to 4.7% year on year in July, as inflation slowed towards the mid-point of the SA Reserve Bank (SARB) range, reaching the lowest level in two years.



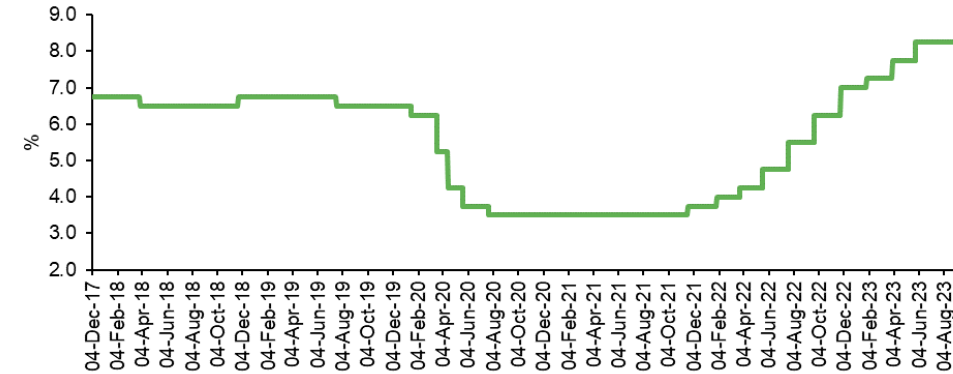
DOMESTIC MARKET VIEW

Despite slowing domestic inflation, concerns around the prospects of continued global central bank tightening dominated local yield fluctuations.

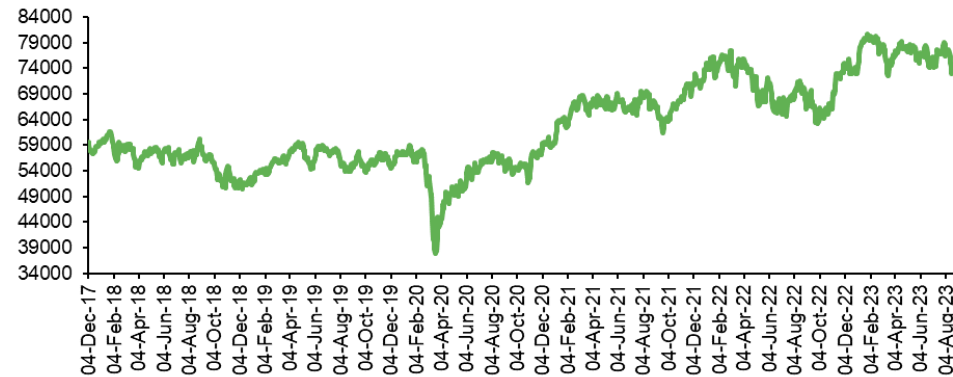
As US 10-year rates hit a 16-year high mid-month, SA 10-year government bond yields pushed above 12% p.a. before settling at 11.7% p.a. at month end.

While almost all major currencies were weaker against the US dollar in August, the rand's 5.4% month on month decline was only topped by the Argentine peso, down 19%, and it leaves the local currency down 9.6% year to date.

Repo Rate



FTSE/JSE All Share Index



INTERNATIONAL MARKET VIEW

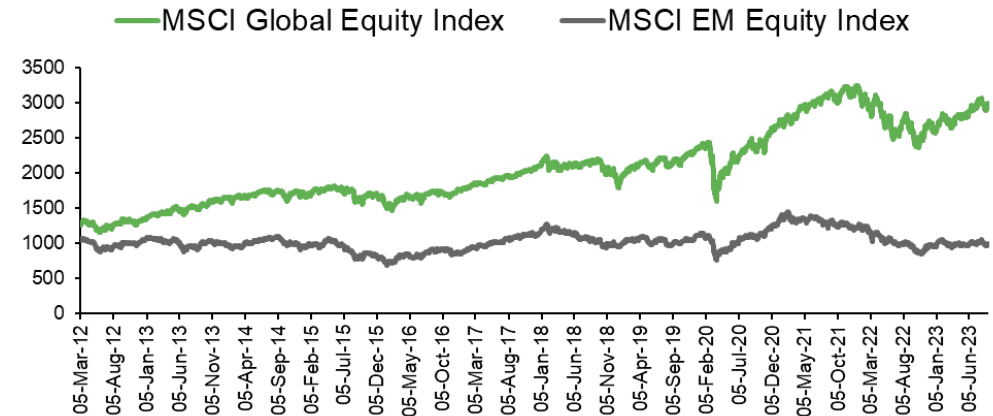
Global equity markets faced some headwinds in August with the MSCI World being down 2.3% for the month, but remained solidly in positive territory year-to-date, up 16.6%.

Despite the bulk of the year's equity market returns coming from US-domiciled, mega-cap tech and chip companies, this area of the market held up relatively well. The S&P 500's 2023 corporate results season wrapped up with earnings marginally down, -2.6 year-on-year but 6% ahead of consensus analyst expectations.

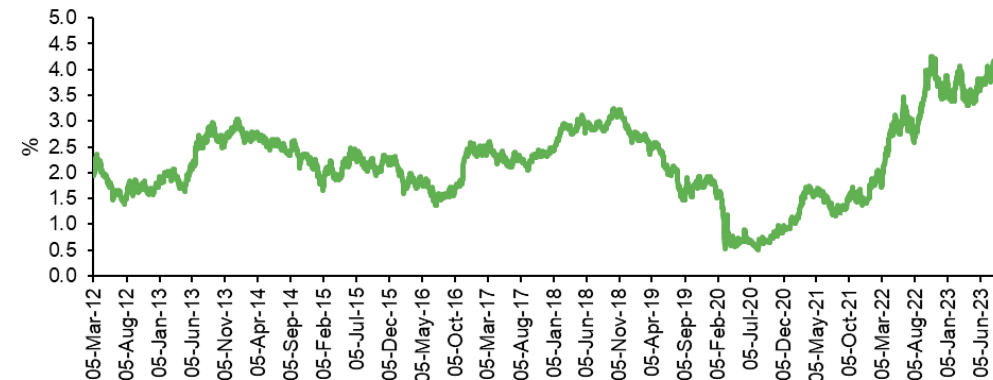
A major factor affecting risk assets in August was rising yields, with the US 10-year bond yield reaching its highest level since 2007 by mid-month 4.35% before retreating slightly to 4.1% into month-end.

The yield-sensitive sectors were unsurprisingly the worst-performing group in August, with the real estate, consumer staples and utility sectors of the S&P 500 Index down 3.0%, 3.6% and 6.2% month-on-month, respectively.

Energy shares were the best-performing sector for a second consecutive month up 1.8%, as Brent crude oil finally managed to get itself back into positive territory for the year sitting at 1.1% YTD.



U.S. 10-Year Government Benchmark Yield



INTERNATIONAL MARKET VIEW

Emerging market stocks had an even harder time than those in developed markets, with Chinese companies the biggest drag, particularly those listed offshore, with the indices of Chinese companies in Hong Kong and the US falling by 8.7% and 10.3% month-on-month, respectively, in US dollar terms.

Weak Chinese economic activity also weighed on commodity prices with the Bloomberg Industrial Metals Index down -5.1% for the month.

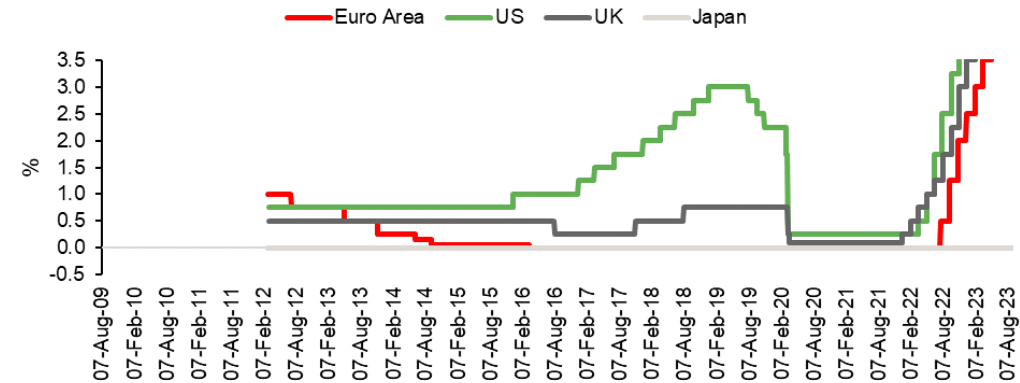
The higher global yields were catalysed by stronger than anticipated US economic activity and consistent rhetoric from US Federal Reserve members that there is still room for more rate hikes with upside risks to inflation.

Higher rates meant continuing strengthening for the US dollar, leaving the greenback stronger against almost all major currencies.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION



RSA BONDS

SA inflation data showed price growth slowing faster than anticipated to 4.7% year on year in July, as inflation slowed towards the mid-point of the SA Reserve Bank (SARB) range, reaching the lowest level in two years. Despite slowing domestic inflation, concerns around the prospects of continued global central bank tightening dominated local yield fluctuations. As US 10-year rates hit a 16-year high mid-month, SA 10-year government bond yields pushed above 12% p.a. before settling at 11.7% p.a. at month end. While almost all major currencies were weaker against the US dollar in August, the rand's 5.4% month on month decline was only topped by the Argentine peso, down 19%, and it leaves the local currency down 9.6% year to date.

The ALBI returned 2.3%, with the major drivers of this around the 7- to 12-year bonds, which returned 2.46%% and 2.54% in July, respectively. The 1- to 3-year and the 3- to 7-year notes returned 1.4% and 1.87%, respectively. We remain of the view that local bonds offer value due to its relative under-performance and therefore remain over-weight the asset class.

RSA PROPERTY, ALTERNATIVES AND CASH

During August, listed property experienced a muted month following a volatile 12 months. Listed property ended the month higher by 0.77% but remains negative year-to-date.

Results from Q2 2023 revealed that asset valuations, debt-to-asset ratios, and operational performance were all continuing to stabilise. What stuck out is that several corporations are starting to reevaluate their dividend pay-out ratios as the burden of interest costs starts to affect predicted income growth and forecast.

This cancels out increased operational effectiveness. Community shopping facilities should continue to do well, and there are signs that some large regional shopping centres are operationally stabilising. The SARBs rate hiking cycle also does not warrant an increase in our allocation.

RSA MONEY MARKET

South Africa's money market saw the curve flattening at the end of July, as the 3-m JIBAR rate declined by 9bp and ended the month at 8.36%, while the 12-m JIBAR rate declined by 30bp to 9.30%%. The 12-m T-bill average yield declined by 38bp to 9.13% at the end of July.

RSA EQUITIES

The South African stock market mirrored the decline in global equity markets, resulting in local equities maintaining only a small positive performance for the year so far. Mining stocks were the biggest drag on the JSE in August being down 9% as weak Chinese economic activity weighed on metal prices. Platinum miners were by far the worst performers, being down 20% as the major platinum miners all reported disappointing results characterised by weak volumes and elevated costs. Naspers and Prosus

also weighed heavily on the local market, as their largest underlying investment, Chinese tech conglomerate Tencent, fell 7.3% month on month in Hong Kong dollar terms.

INTERNATIONAL

Global equity markets faced some headwinds in August with the MSCI World being down 2.3% for the month, but remained solidly in positive territory year-to-date, up 16.6%. Despite the bulk of the year's equity market returns coming from US-domiciled, mega-cap tech and chip companies, this area of the market held up relatively well. The S&P 500's 2023 corporate results season wrapped up with earnings marginally down, -2.6 year-on-year but 6% ahead of consensus analyst expectations.

A major factor affecting risk assets in August was rising yields, with the US 10-year bond yield reaching its highest level since 2007 by mid-month 4.35% before retreating slightly to 4.1% into month-end. The yield-sensitive sectors were unsurprisingly the worst-performing group in August, with the real estate, consumer staples and utility sectors of the S&P 500 Index down 3.0%, 3.6% and 6.2% month-on-month, respectively. Energy shares were the best-performing sector for a second consecutive month up 1.8%, as Brent crude oil finally managed to get itself back into positive territory for the year sitting at 1.1% YTD.

Emerging market stocks had an even harder time than those in developed markets, with Chinese companies the biggest drag, particularly those listed offshore, with the indices of Chinese companies in Hong Kong and the US

falling by 8.7% and 10.3% month-on-month, respectively, in US dollar terms. Weak Chinese economic activity also weighed on commodity prices with the Bloomberg Industrial Metals Index down -5.1% for the month. The higher global yields were catalysed by stronger than anticipated US economic activity and consistent rhetoric from US Federal Reserve members that there is still room for more rate hikes with upside risks to inflation. Higher rates meant continuing strengthening for the US dollar, leaving the greenback stronger against almost all major currencies.

NOVARE HOUSE VIEW: AUGUST 2023 TACTICAL POSITIONING*

	←	ON-WEIGHT	→		PREVIOUS
	UNDER-WEIGHT			OVER-WEIGHT	
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
-
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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	0.1%	9.8%	18.6%	17.9%	8.8%	8.6%
MSCI Emerging Markets	-6.1%	3.7%	4.9%	1.7%	-1.0%	1.4%
Global Bonds (R)	4.1%	-4.8%	15.2%	13.7%	-1.6%	4.5%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	1.6%	19.6%	1.1%	-9.2%	24.2%	2.2%
Platinum (USD/oz)	1.8%	-2.6%	-9.8%	13.6%	1.3%	4.3%
Gold (USD/oz)	-0.5%	-0.6%	6.6%	13.0%	-0.2%	10.1%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	-4.8%	0.4%	4.9%	15.8%	14.9%	8.9%
Domestic Bonds	-0.2%	6.7%	3.9%	7.5%	7.8%	7.7%
Domestic Cash	0.7%	2.0%	5.1%	7.3%	5.2%	5.9%
Domestic Property	0.9%	4.2%	-1.3%	10.3%	17.2%	-3.2%
International Equity	3.1%	2.5%	29.2%	28.1%	12.9%	14.5%
International Bonds	4.1%	-4.8%	15.2%	13.7%	-1.6%	4.5%
Exchange rate (R / \$)	5.6%	-4.3%	10.9%	10.3%	3.7%	5.1%

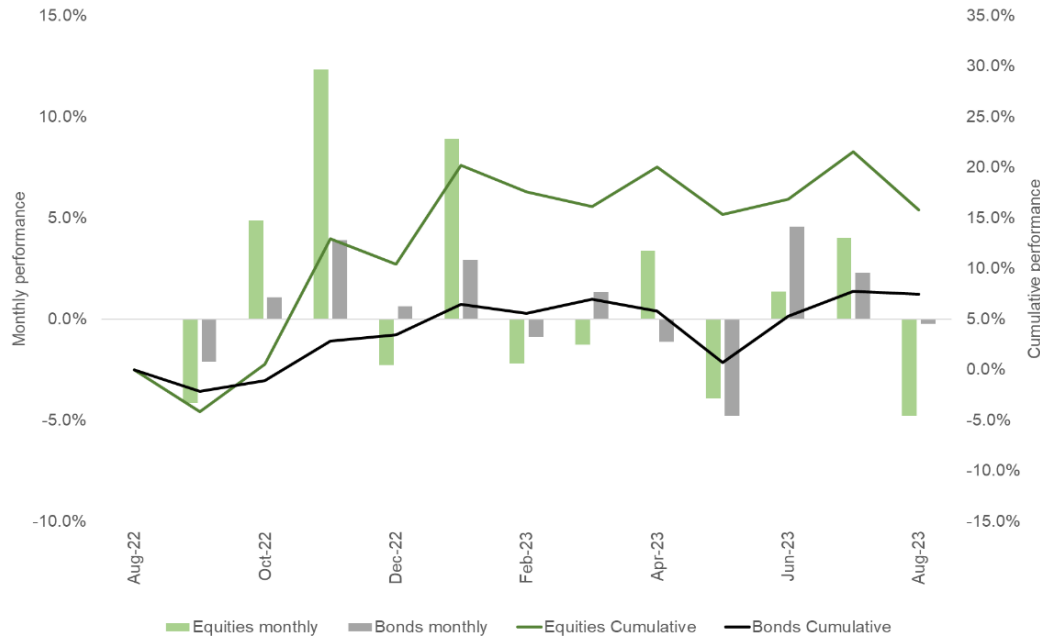
Scale:

Best performing asset class

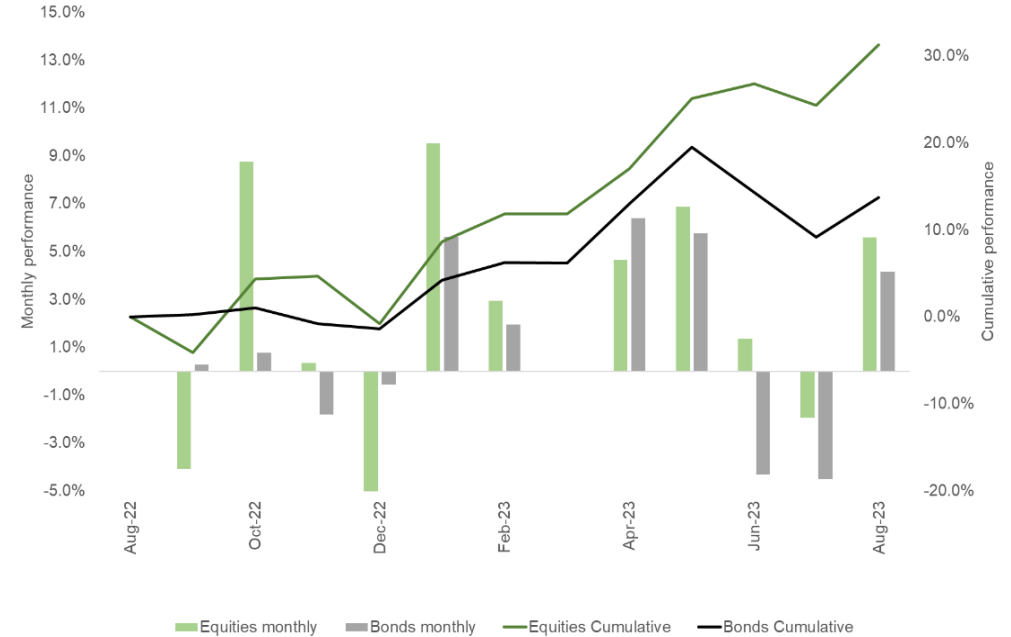
Worst performing asset class



Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

Fund Overview

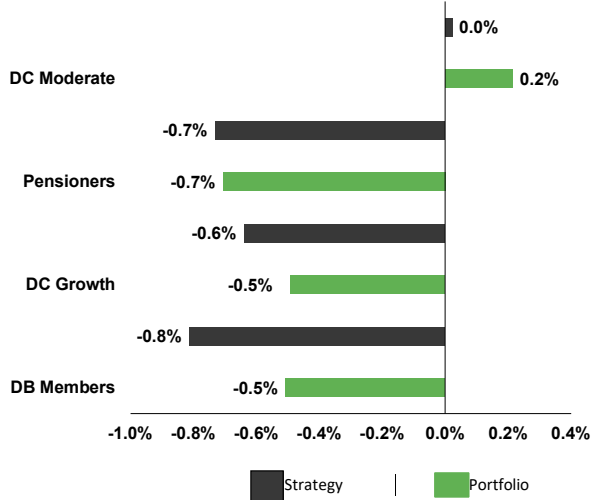


EXECUTIVE SUMMARY

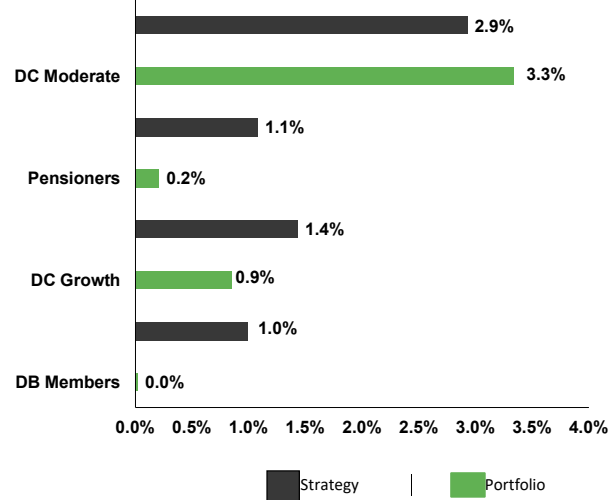
SHORT TERM RETURNS VERSUS STRATEGIES



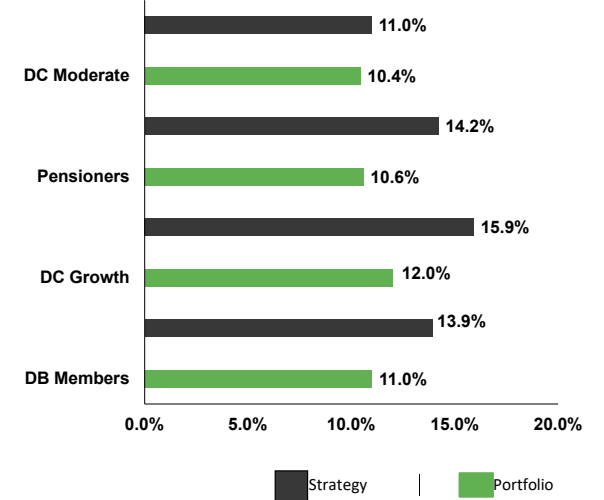
Monthly Return for August 2023



3 Months Return up to August 2023



1 Year Return up to August 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.

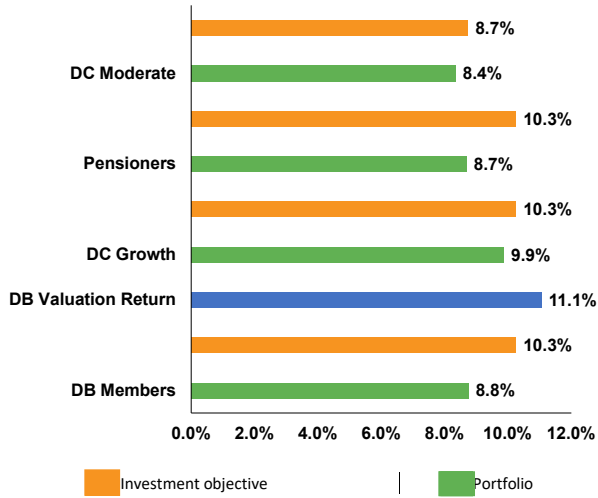
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 005 859 873	64.5%	-0.5%	0.0%	8.3%	11.0%
			-0.8%	1.0%	11.3%	13.9%
			0.3%	-1.0%	-3.0%	-2.9%
DC Growth Strategy	2 489 202 572	20.1%	-0.5%	0.9%	8.5%	12.0%
			-0.6%	1.4%	12.1%	15.9%
			0.1%	-0.6%	-3.6%	-3.9%
DC Moderate Strategy	388 705 738	3.1%	0.2%	3.3%	6.6%	10.4%
			0.0%	2.9%	7.8%	11.0%
			0.2%	0.4%	-1.2%	-0.5%
Pensioner Strategy	1 524 237 475	12.3%	-0.7%	0.2%	7.4%	10.6%
			-0.7%	1.1%	11.1%	14.2%
			0.0%	-0.9%	-3.7%	-3.6%
	12 408 005 657	100%				

EXECUTIVE SUMMARY

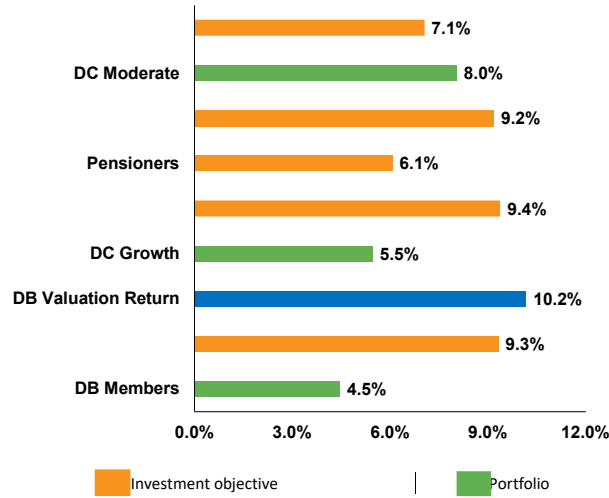
LONG TERM RETURNS VERSUS OBJECTIVES



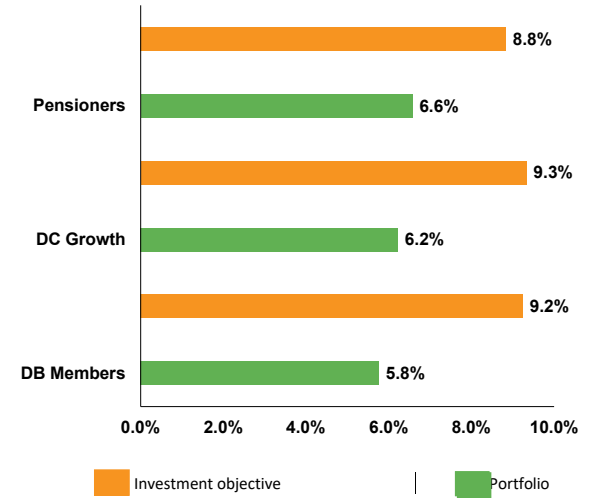
3 Year Return up to August 2023



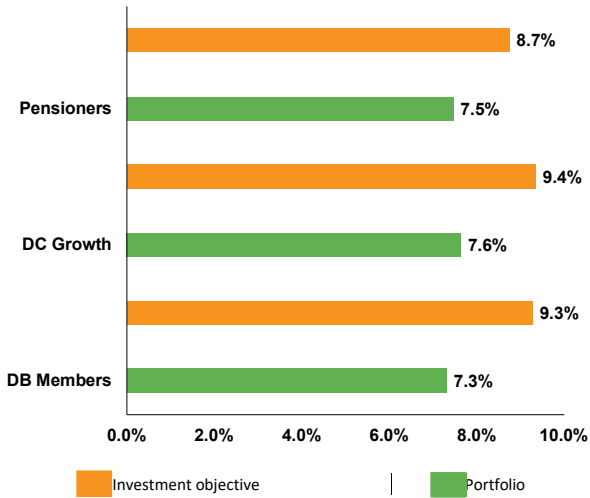
5 Year Return up to August 2023



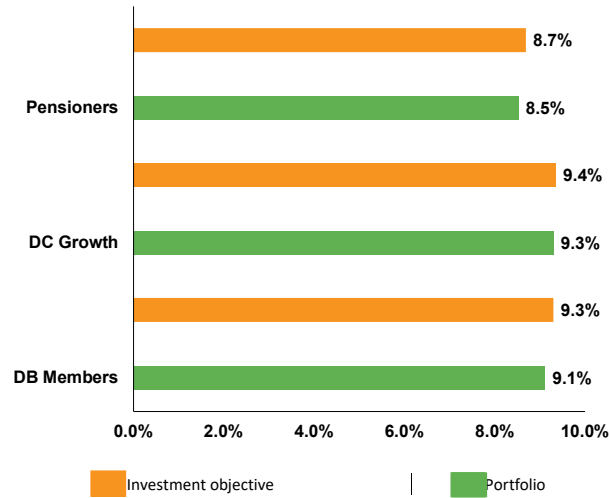
8 Year Return up to August 2023



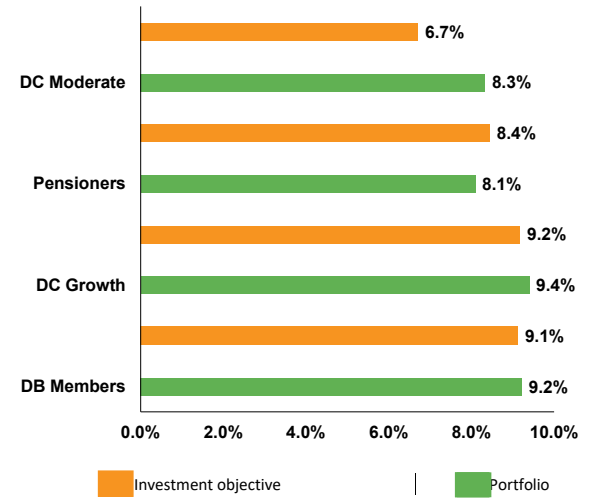
10 Year Return up to August 2023



12 Year Return up to August 2023



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

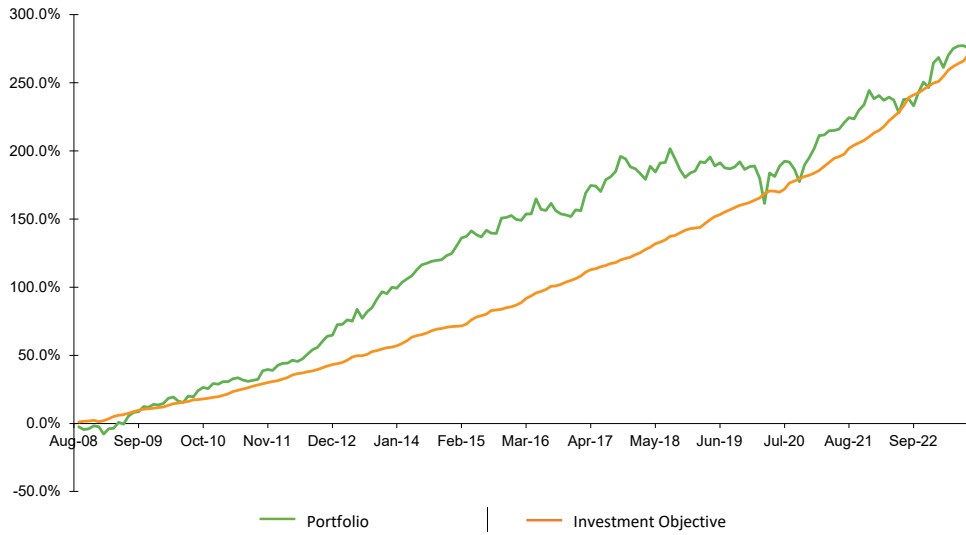
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	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 Objective	8 005 859 873	64.5%	8.8%	4.5%	5.8%	7.3%	9.1%	9.2%
			10.3%	9.3%	9.2%	9.3%	9.3%	9.1%
			-1.5%	-4.9%	-3.5%	-2.0%	-0.2%	0.1%
DC Growth Objective	2 489 202 572	20.1%	9.9%	5.5%	6.2%	7.6%	9.3%	9.4%
			10.3%	9.4%	9.3%	9.4%	9.4%	9.2%
			-0.4%	-3.9%	-3.1%	-1.7%	-0.1%	0.2%
DC Moderate Objective	388 705 738	3.1%	8.4%	8.0%	-	-	-	8.3%
			8.7%	7.1%	-	-	-	6.7%
			-0.4%	1.0%	-	-	-	1.6%
Pensioner Objective	1 524 237 475	12.3%	8.7%	6.1%	6.6%	7.5%	8.5%	8.1%
			10.3%	9.2%	8.8%	8.7%	8.7%	8.4%
			-1.6%	-3.1%	-2.3%	-1.3%	-0.2%	-0.4%
	12 408 005 657	100%						

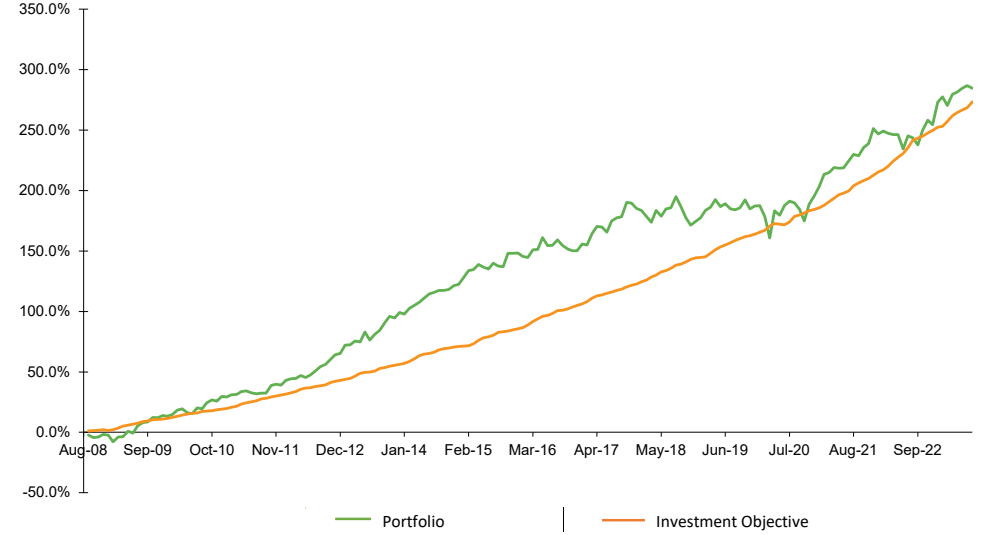
LONG TERM RETURNS

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.

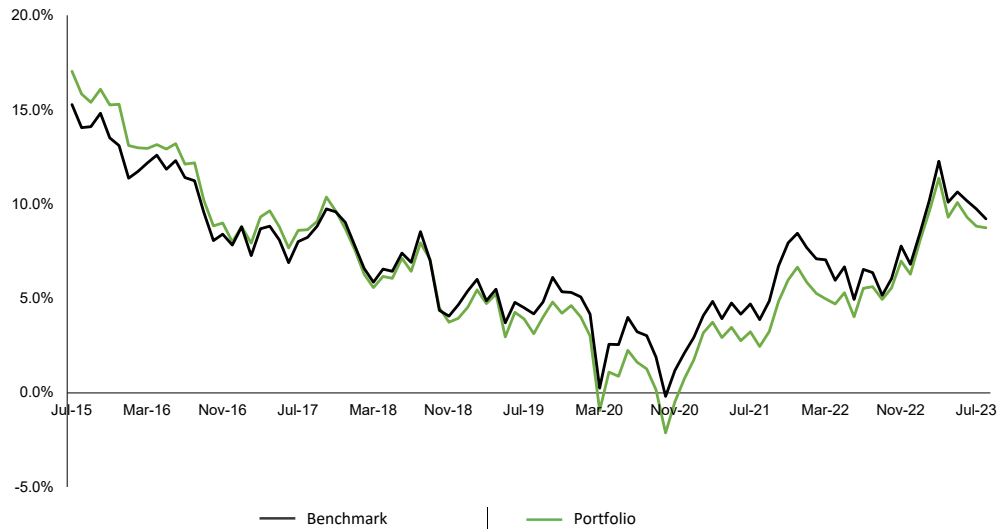
DB Members - Cumulative return since 30 September 2009



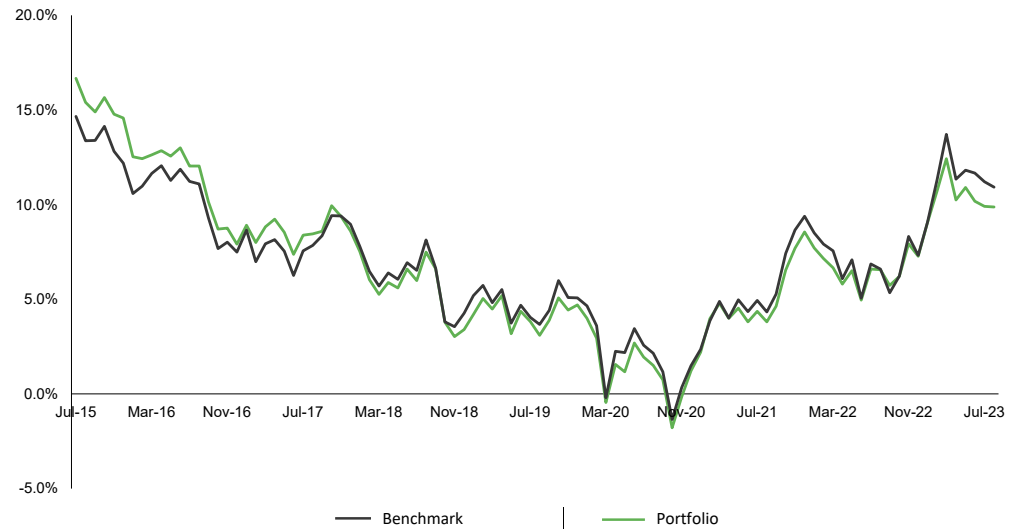
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



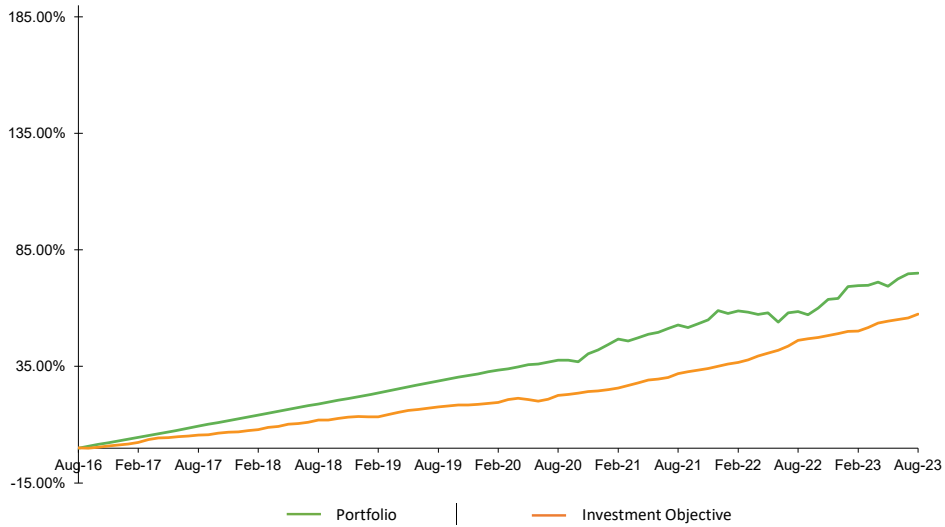
DC Growth - 3 Year Rolling Returns



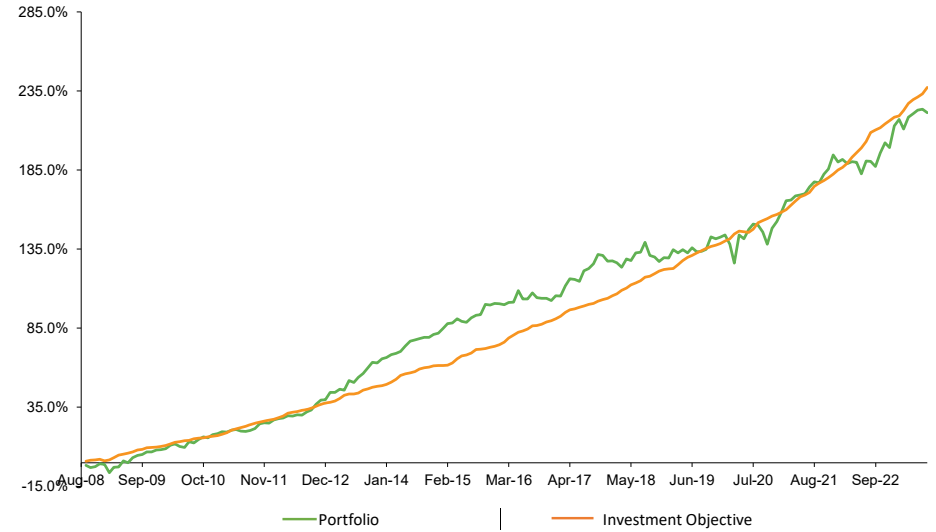
LONG TERM RETURNS

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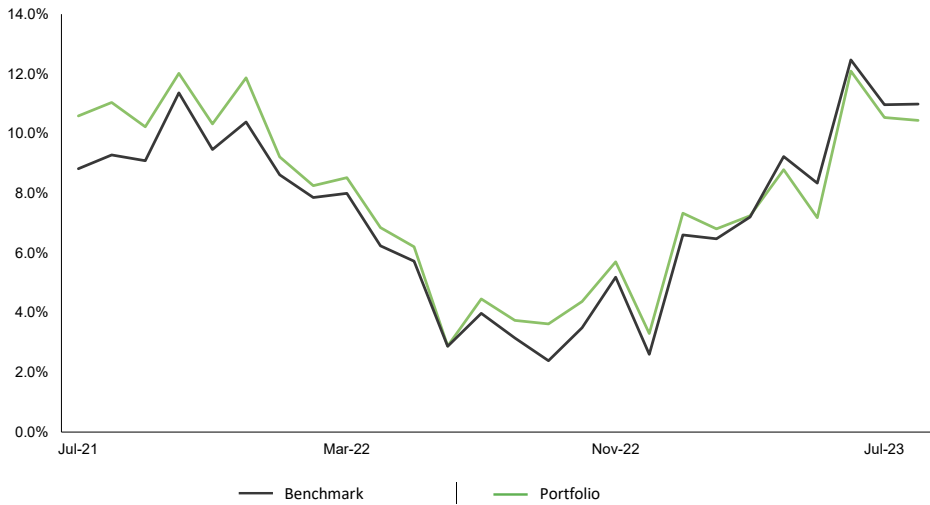
DC Moderate - Cumulative return since 30 September 2016



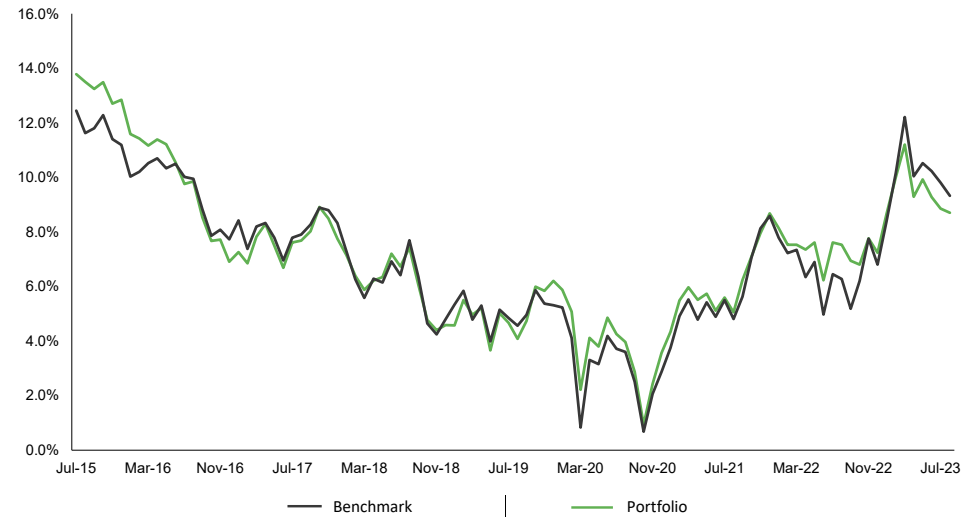
Pensioner - Cumulative return since 31 August 2008



DC Moderate - 1 Year Rolling Returns

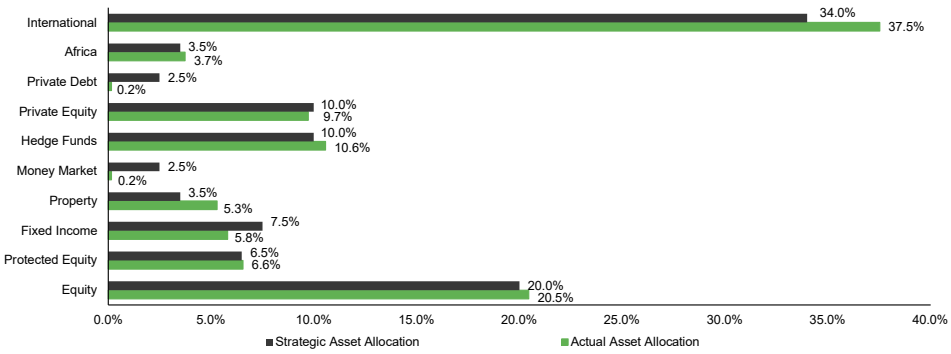


Pensioner - 3 Year Rolling Returns

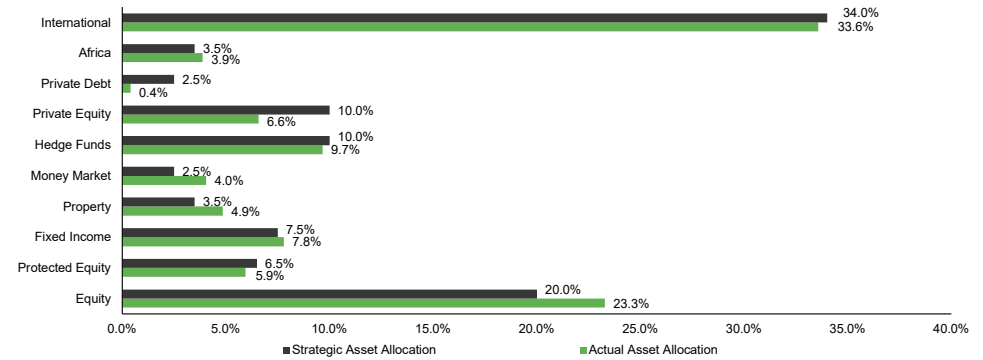


ASSET ALLOCATION

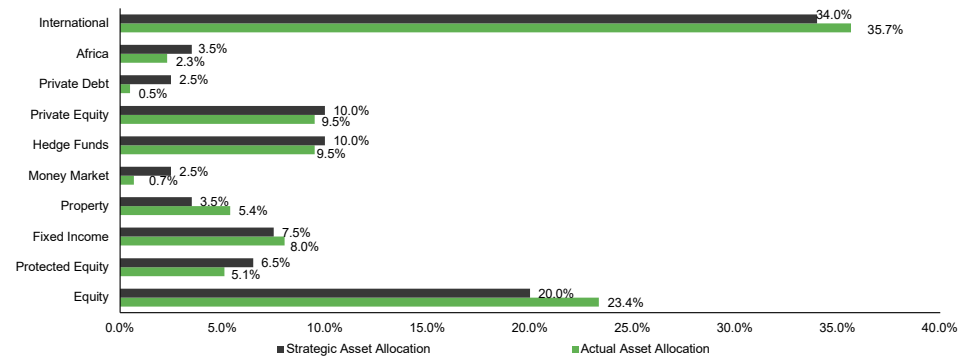
DB Members



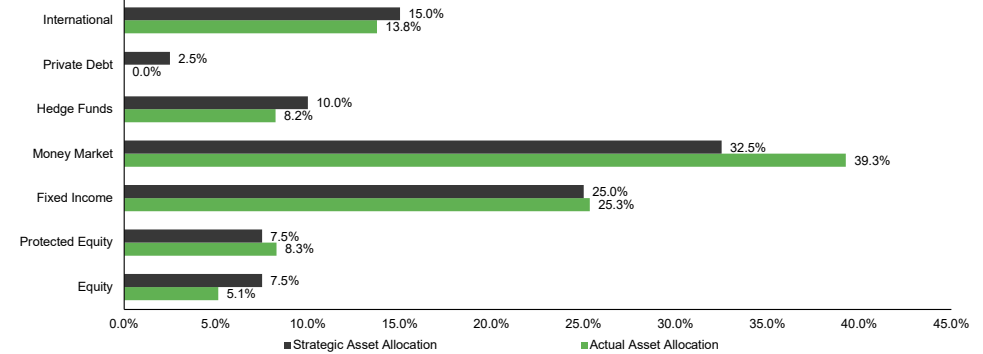
Pensioner



DC Growth



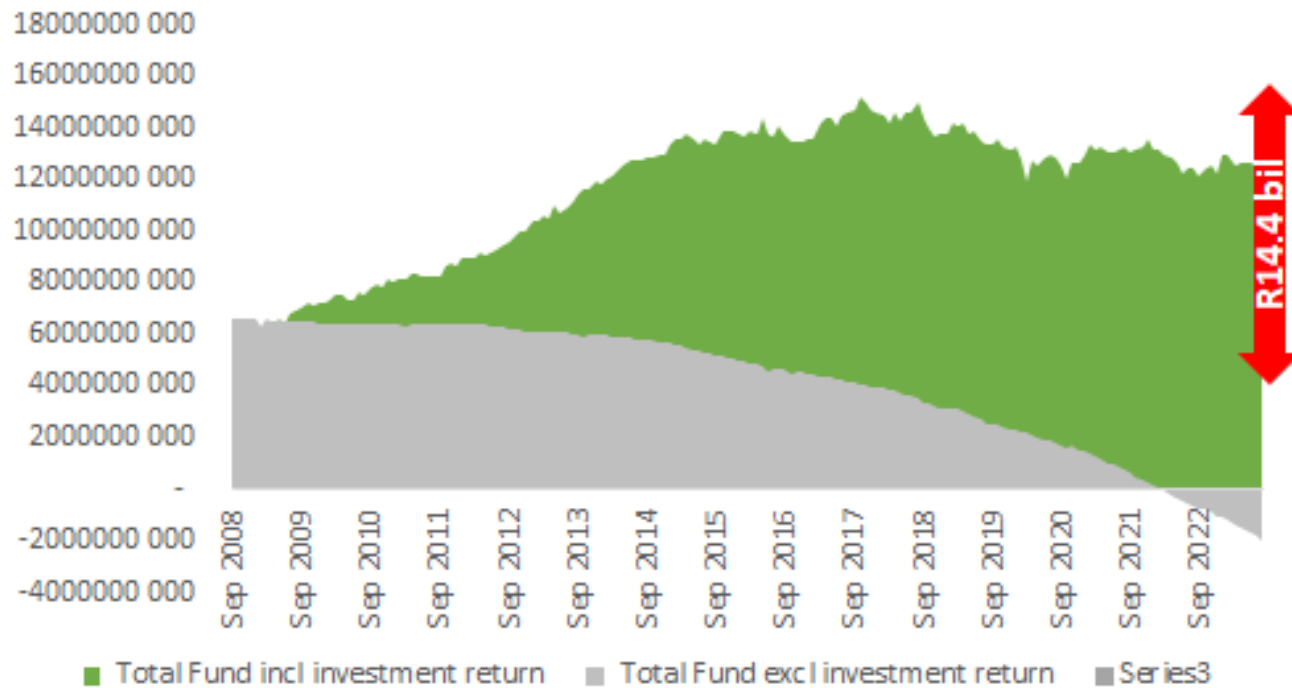
DC Moderate



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	418 811 603.11	3.4%	-4.2%	1.7%	9.7%	18.1%	-	9.6%
	JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%
					0.6%	-1.2%	-1.2%	3.6%	-	1.2%
	Aluwani Capital Equity	2018/10/31	426 940 364.59	3.4%	-4.7%	3.6%	10.1%	12.6%	-	7.5%
	JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%
					0.1%	0.7%	-0.8%	-2.0%	-	-0.9%
	Argon Equity	2018/10/31	324 236 904.54	2.6%	-4.6%	3.6%	11.1%	15.0%	-	8.6%
	JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%
					0.2%	0.6%	0.2%	0.4%	-	0.2%
	Satrix Equity	2018/10/31	282 975 325.94	2.3%	-5.1%	3.1%	10.0%	14.2%	-	8.6%
JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%	
				-0.3%	0.1%	-0.9%	-0.3%	-	0.2%	
Vunani Equity	2018/10/31	69 990 639.46	0.6%	-4.8%	2.9%	11.2%	14.1%	-	8.1%	
JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%	
				0.0%	-0.1%	0.3%	-0.5%	-	-0.3%	
Mianzo Equity	2018/10/31	473 820 962.55	3.8%	-5.3%	2.3%	9.6%	16.8%	-	9.3%	
JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%	
				-0.5%	-0.6%	-1.2%	2.2%	-	0.9%	
Balondolozzi Equity	2018/10/31	382 509 622.60	3.1%	-4.8%	4.2%	12.6%	14.4%	-	8.7%	
JSE Capped Share Weighted Index				-4.8%	2.9%	10.9%	14.6%	-	8.4%	
				0.0%	1.2%	1.7%	-0.1%	-	0.3%	
Cannon Equity	2023/08/31	99 151 099.99	0.8%	-	-	-	-	-	-	-
JSE Capped Share Weighted Index				-	-	-	-	-	-	-
					-	-	-	-	-	-
Equity Incubation	LIMA Mbeu Equity	2022/07/31	115 314 271.42	0.9%	-5.0%	4.6%	9.9%	-	-	9.1%
JSE Capped Share Weighted Index					-4.8%	2.9%	10.9%	-	-	8.6%
					-0.2%	1.6%	-1.0%	-	-	0.4%
Protected Equity	Mergence Structured Product	2019/11/01	334 260 397.12	2.7%	-4.4%	0.3%	19.4%	14.9%	-	15.2%
JSE All Share Index Top 40					-5.9%	-1.0%	14.1%	10.4%	-	8.7%
					1.5%	1.3%	5.3%	4.5%	-	6.5%
MAC Dynamic Protected Equity	2022/06/01	284 476 756.40	2.3%	-3.6%	1.1%	17.0%	-	-	-	10.5%
SALA_MAC_Dynamic_Custom 80% DTop, 20% SteFi					-4.6%	-0.4%	13.0%	-	-	5.4%
					1.0%	1.5%	3.9%	-	-	5.1%
Protected Equity Incubation	REGIVE Protected Equity	2022/02/01	155 581 350.00	1.3%	-3.6%	-0.6%	11.3%	-	-	2.4%
SALA REGIVE SP Custom					-5.9%	-1.0%	14.1%	-	-	1.4%
					2.3%	0.4%	-2.8%	-	-	1.0%

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
Fixed Income	Futuregrowth Infrastructure Bond All Bond Index	2008/08/31	626 680 019.39	5.1%	-0.6%	6.9%	7.5%	9.9%	8.9%	10.5%
					-0.2%	6.7%	7.5%	7.8%	7.7%	8.4%
					-0.4%	0.1%	0.1%	2.1%	1.2%	2.0%
Fixed Income	Stanlib Bond All Bond Index	2008/08/31	155 682 865.69	1.3%	-0.4%	6.6%	7.1%	8.6%	8.3%	9.2%
					-0.2%	6.7%	7.5%	7.8%	7.7%	8.4%
					-0.2%	-0.1%	-0.4%	0.8%	0.5%	0.7%
Fixed Income	Capital Link STeFI + 1%	2023/08/31	100 280 900.00	0.8%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.3%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Property	Meago Property Listed Property	2012/08/31	297 746 298.71	2.4%	1.0%	4.1%	9.7%	17.3%	-2.9%	3.3%
					0.9%	4.2%	10.3%	17.2%	-2.4%	2.7%
					0.1%	-0.1%	-0.7%	0.1%	-0.5%	0.6%
Unlisted Property	Umthombo IF1 NO BENCHMARK	2022/12/01	174 202 686.97	1.4%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Money Market	Sanlam Cash STeFI Composite	2010/09/30	70 087 253.98	0.6%	0.9%	2.5%	8.9%	6.0%	6.7%	7.2%
					0.7%	2.0%	7.3%	5.2%	5.9%	6.2%
					0.2%	0.5%	1.6%	0.9%	0.9%	1.1%
Money Market	Transition Account	2009/02/28	2 482 437.45	0.0%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Money Market	REAL Fund STeFI	2022/03/01	10 095 090.69	0.00	0.0%	0.0%	0.0%	-	-	0.2%
					0.7%	2.0%	7.3%	-	-	6.5%
					-0.7%	-2.0%	-7.3%	-	-	-6.3%
Money Market Incubation	Cartesian Capital Money Market STeFI Composite	2018/10/31	161 395 757.62	1.3%	0.8%	2.5%	8.1%	5.8%	-	6.1%
					0.7%	2.0%	7.3%	5.2%	-	5.8%
					0.1%	0.4%	0.8%	0.6%	-	0.2%
Hedge Funds	Mayibentsha Focused CPI + 4.5%	2011/07/31	478 636 291.22	3.9%	1.2%	4.8%	7.8%	10.3%	8.9%	8.1%
					1.2%	2.3%	9.2%	10.2%	9.4%	9.8%
					-0.1%	2.4%	-1.4%	0.1%	-0.5%	-1.6%
Hedge Funds	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	399 977 548.16	3.2%	1.0%	3.9%	8.6%	8.8%	8.7%	7.9%
					1.1%	1.9%	7.2%	8.2%	7.4%	7.8%
					-0.1%	2.0%	1.4%	0.5%	1.3%	0.2%
Hedge Funds	Mayibentsha Moderate CPI + 3.5%	2008/08/31	316 106 026.18	2.5%	1.1%	4.8%	8.0%	9.5%	9.1%	8.6%
					1.2%	2.1%	8.2%	9.2%	8.4%	8.6%
					-0.1%	2.7%	-0.2%	0.3%	0.7%	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	66 919 208.53	0.5%	2.0%	4.9%	5.8%	11.7%	-	11.1%
					0.7%	2.0%	7.3%	5.2%	-	5.3%
					1.3%	2.9%	-1.5%	6.5%	-	5.8%
Private Equity	Sampada Private Equity NO BENCHMARK	2015/09/30	285 924 764.83	2.3%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2 NO BENCHMARK	2019/01/31	331 157 574.40	2.7%	-	-	-	-	-	-
					-	-	-	-	-	-
Boxwood Property Fund Hurdle Rate (CPI +3%)	2020/03/31	90 301 652.19	0.7%	-	-	-	-	-	-	
				-	-	-	-	-	-	
				-	-	-	-	-	-	
Summit Africa Hurdle Rate (CPI +5%)	2019/11/30	175 961 764.94	1.4%	-	-	-	-	-	-	
				-	-	-	-	-	-	
				-	-	-	-	-	-	
Private Equity Incubation	Legacy Africa Hurdle Rate	2020/01/31	232 521 291.49	1.9%	-	-	-	-	-	-
Private Debt Incubation	Tamela Capital NO BENCHMARK	2020/01/31	30 897 034.81	0.2%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Africa	Novare Africa Property Fund 1 10% in USD	2010/07/31	293 433 037.50	2.4%	-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
International	Novare Global Balanced SALA NBAUIS Fund	2008/08/31	3 171 171 767.60	25.6%	3.8%	-0.4%	16.1%	5.5%	6.4%	10.5%
					3.0%	0.7%	25.4%	7.1%	10.1%	10.9%
					0.9%	-1.1%	-9.3%	-1.6%	-3.7%	-0.3%
International	SALA Global Fund SALA Global Fund	2022/04/01	1 285 913 920.03	10.4%	3.5%	-0.3%	18.8%	-	-	13.1%
					2.8%	1.4%	22.0%	-	-	15.2%
					0.7%	-1.7%	-3.2%	-	-	-2.1%
			12 408 005 657	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	249 700 010.4	108 615 393.1	1 737 968.8	58 758 230.8	418 811 603.1
	Aluwani Capital Equity	246 435 050.7	133 904 014.4	1 028 871.0	45 572 428.4	426 940 364.6
	Argon Equity	230 551 337.9	52 383 382.6	1 317 030.1	39 985 154.0	324 236 904.5
	Balondolozzi Equity	271 001 624.5	95 426 390.5	3 341 698.3	12 739 909.3	382 509 622.6
	Mianzo Equity	254 043 269.3	114 711 756.2	5 727 254.8	99 338 682.3	473 820 962.6
	Satrix Equity	204 013 738.7	21 488 485.7	827 997.8	56 645 103.8	282 975 325.9
	Vunani Equity	54 642 300.1	1 772 021.8	100 115.8	13 476 201.8	69 990 639.5
	Lima Equity	62 686 835.7	33 845 286.7	2 770 822.3	16 011 326.8	115 314 271.4
	Cannon Equity	64 433 126.7	19 431 401.7	3 073 318.0	12 213 253.7	99 151 100.0
Protected Equity	Mergence Structured Product	222 874 298.6	48 696 586.8	18 304 162.5	44 385 349.3	334 260 397.1
	MAC Dynamic Protected Equity	173 961 129.4	67 783 967.1	10 659 445.8	32 072 214.2	284 476 756.4
	Regive Protected Equity	127 917 090.0	10 334 465.0	3 261 238.8	14 068 556.2	155 581 350.0
Fixed Income	Futuregrowth Infrastructure Bond	347 771 718.8	139 896 285.5	56 830 569.8	82 181 445.2	626 680 019.4
	Stanlib Bond	52 414 997.3	40 489 240.6	38 526 838.6	24 251 789.3	155 682 865.7
	Capital Link	65 167 324.7	19 652 817.3	3 108 337.6	12 352 420.4	100 280 900.0
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3
	Meago Property	175 795 210.4	96 188 400.7		25 762 687.5	297 746 298.7
Unlisted Property Money Market	Umthombo IF1	120 796 504.5	37 549 453.9		15 856 728.5	174 202 687.0
	Cartesian Capital Money Market	423 205.3	12 332 391.5	93 016 236.0	55 623 924.8	161 395 757.6
	Sanlam Cash	2 048 682.1	3 486 385.0	59 415 262.6	5 136 924.3	70 087 254.0
	Real Fund	7 754 525.3	1 266 230.8	138 353.4	935 981.2	10 095 090.7
Hedge Funds	Cash in Transit	-	-	-	-	-
	Mayibentsha Focused	296 211 930.1	111 041 403.7	7 293 233.6	64 089 724.0	478 636 291.2
	Mayibentsha Market Neutral	300 593 177.5	53 598 391.5	6 698 693.3	39 087 285.8	399 977 548.2
	Mayibentsha Moderate	196 082 387.1	69 659 790.8	9 458 637.8	40 905 210.5	316 106 026.2
	Terebinth Capital	53 248 066.2	1 968 869.2	8 580 246.9	3 122 026.3	66 919 208.5
Private Equity	Summit Africa	90 281 808.6	55 134 581.8		30 545 374.5	175 961 764.9
	Boxwood Property Fund	79 924 385.7	5 872 996.8		4 504 269.7	90 301 652.2
	Sampada Private Equity	211 684 473.0	57 448 457.7		16 791 834.1	285 924 764.8
	Sampada Private Equity 2	234 083 793.8	59 471 062.0		37 602 718.6	331 157 574.4
Private Equity Incubation	Legacy Africa	163 256 812.1	58 479 796.2		10 784 683.2	232 521 291.5
Private Debt Incubation Africa	Tamela Capital	12 402 002.6	12 259 489.9		6 235 542.4	30 897 034.8
	Novare Africa Property Fund 1	210 835 603.5	40 947 011.9		41 650 422.1	293 433 037.5
International	Novare Africa Property Fund 2	88 720 379.2	16 400 012.4		17 540 752.1	122 661 143.6
	Novare Global Balanced	2 074 114 515.2	687 126 745.2	35 899 284.4	374 031 222.9	3 171 171 767.6
	SALA Global Fund	930 188 576.9	200 539 606.1	17 590 119.8	137 595 617.2	1 285 913 920.0
Total Fund		8 005 859 872.5	2 489 202 572.0	388 705 737.7	1 524 237 474.8	12 408 005 657.0

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 towards a document. The document features several pie charts and a table. One pie chart is labeled with 'Energy', 'Industrial', 'Oil', and 'Agriculture'. Another pie chart shows '73%' and '27%'. A table in the background has columns for 'Global Equities', 'Global Bonds', and 'Global Commodities'.

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

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