



NOVARE[®]
actuaries & consultants

| Monthly Report |

SALA Pension Fund

October 2022

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REPORT OVERVIEW

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

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

FUND PERFORMANCE

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

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

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

MARKET OVERVIEW

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

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

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

MANAGER PERFORMANCE

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

OBJECTIVE

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

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%

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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

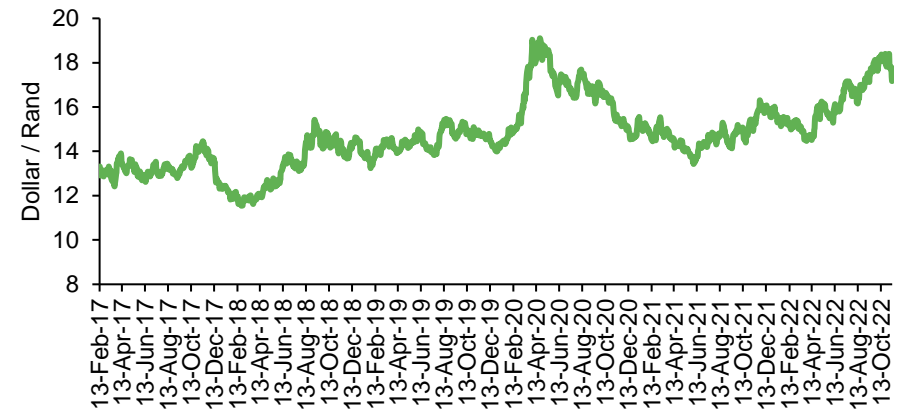


Despite the ongoing issue with the electricity supply, total returns for SA stocks were virtually positive across the board. It now feels like loadshedding is now the country's default condition, with scheduled cutbacks occasionally being suspended.

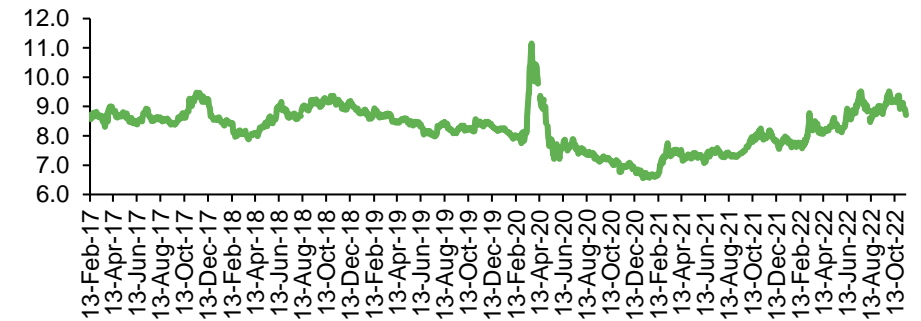
With a return of -15.63% m/m, the technology sector was the only real outlier among the sectors. On the strength of the industrial materials sub-sectors of 28.71% m/m, the basic materials sector returned 4.3% m/m.

The consumer-facing sectors saw positive gains, with consumer staples outperforming the consumer discretionary sector with an 8.54% m/m return. Healthcare saw a return of 11.05% m/m, compared to the financial sector's 12.84% m/m. Financials had the best total returns for the major industries over the past 12 months (13.87% y/y), while technology had the lowest total returns (-30.92% y/y).

Rand



S.A. 10-Year Government Benchmark Yield



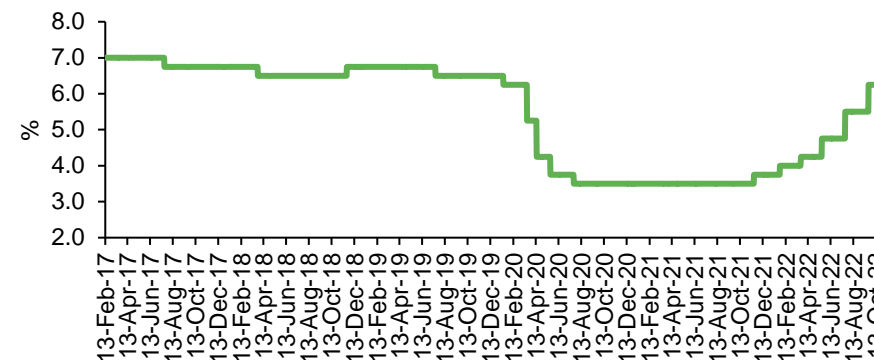
DOMESTIC MARKET VIEW

The 3-m JIBAR rate increased in South Africa's money market by 5bp to conclude the month at 6.52%, while the 12-m JIBAR rate decreased by 21bp to 8.38%. The rates have increased by 283bp and 313bp respectively, during the past 12 months.

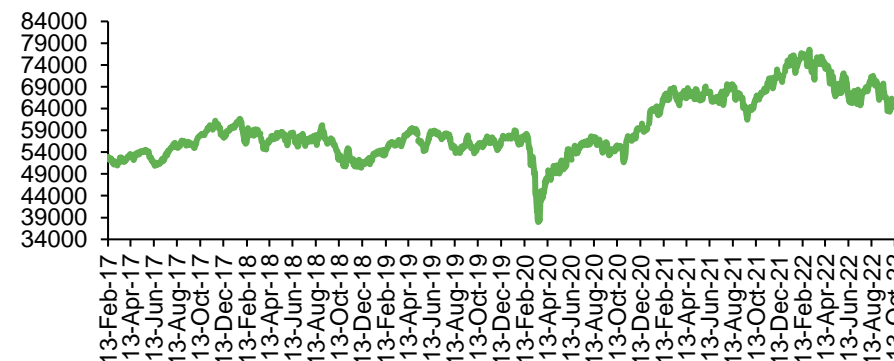
The yield curve steepened during the month as the yield on the shorter-dated R186 had declined by 37.5 bps, while the yield on the longer-dated R2030 had decreased by 2 bps. The R2048 yield remained flat and yields at the longer end of the curve were stable. The R206 returned 2.0% m/m, the R2030 returned 1.0% m/m, and the R2048 returned 0.99% m/m.

Non-residents continued to be net sellers in the SA bond market, with the R23.2 billion outflow in October being similar to the R21.9 billion outflow in September. The total outflow over the previous 12 months now totals R282.5 billion.

Repo Rate



FTSE/JSE All Share Index



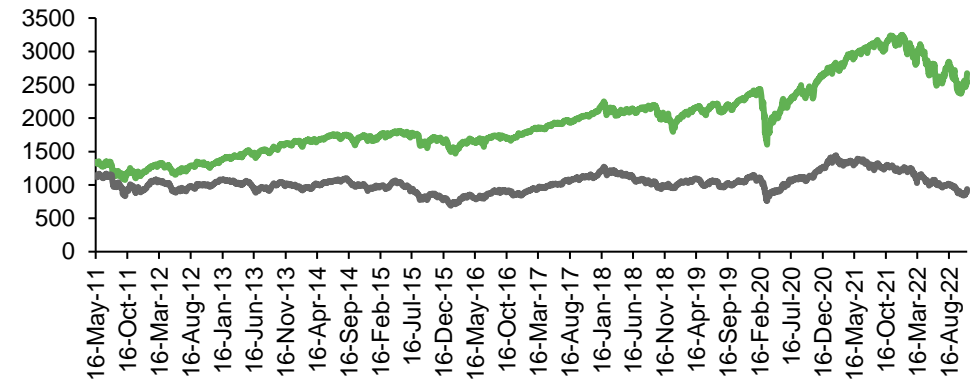
INTERNATIONAL MARKET VIEW

In October, the generally negative investor sentiment improved, although concerns about a recession have only reduced slightly. High inflation in certain markets continues, keeping central banks on a path of raising interest rates.

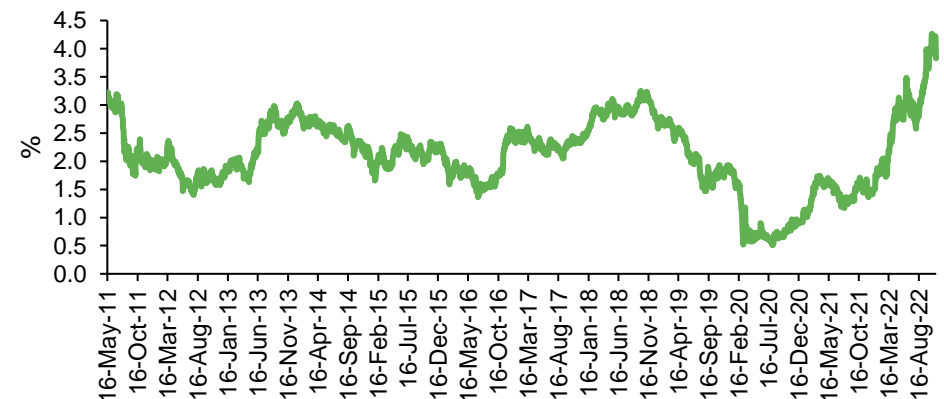
Equity markets in the US and Europe saw positive returns as volatility decreased and risk aversion subsided. The Fed's pace of tightening continues to be the major focus in the US, however, worries about sacrificing growth to control inflation are keeping the financial markets on edge. The possibility of politically motivated uncertainty is increased by the approaching US midterm elections with the market expecting a tight race. As the region prepares for a winter without access to Russian gas, the energy markets in Europe continue to be the main topic of discussion.

In the US, the Dow Jones 30 recovered 14.0% m/m while the S&P 500 returned 8.0% m/m (-18.8% YTD) and the Nasdaq 100 returned 4.0% m/m (-30.1% YTD), respectively, reversing last month's decline (-9.9 YTD). The VIX ended the month at 25.88, lower than it has been of late but still much more elevated compared to history. The markets in Europe also saw a reversal; the German DAX recovered 9.4% m/m (-16.6% YTD), the French CAC40 increased 8.8% m/m (-12.4% YTD), and the Euro Stoxx 50 returned 9.1% m/m (-13% YTD). The FTSE 100 in the UK returned 2.9% m/m (-3.9% YTD) as the fiscal policies and the prime minister, and chancellor both underwent another change. The 3rd in as many months.

— MSCI Global Equity Index
— MSCI EM Equity Index



U.S. 10-Year Government Benchmark Yield



INTERNATIONAL MARKET VIEW

Japan's Nikkei Index returned 6.4% m/m, but China's CSI 300 and Hong Kong's Hang Seng Index returned -7.7% m/m and -14.7% m/m, respectively, as neither the political nor the economic developments were viewed as being market friendly. The MSCI EM USD Index returned -3.4% m/m (-33.1% y/y), the MSCI World USD Index saw a return of 7.7% m/m (-19.3% y/y).

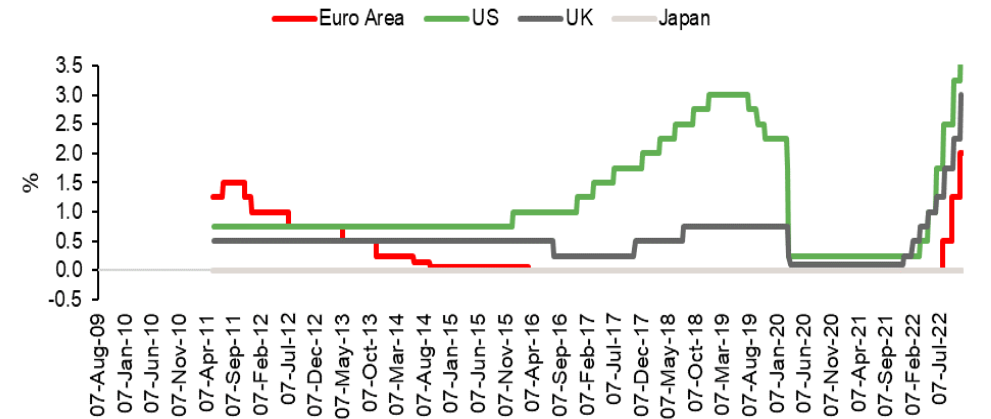
Attention is turning to speculation on the likely timing of an unavoidable Fed "pivot," which may occur in 2024, as the US Federal Reserve is predicted to raise interest rates by 75 basis points for the fourth time in a row on November 2, 2022. But first, the FOMC statement will be scrutinized for any indications that the rate of rises may slow to 50bp at the following meeting on December 14, 2022.

The 10-year US yield increased by 22 basis points in October to reach 4.05% at month's end, bringing the YTD gain to 254 basis points. European long-term rate movements were mixed as a result of the ECB's 75bp boost on October 27, 2022, and expectations for at least a 50bp hike in December.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION

RSA BONDS

The yield curve steepened during the month as the yield on the shorter-dated R186 had declined by 37.5 bps, while the yield on the longer-dated R2030 had decreased by 2 bps. The R2048 yield remained flat and yields at the longer end of the curve were stable. The R206 returned 2.0% m/m, the R2030 returned 1.0% m/m, and the R2048 returned 0.99% m/m.

The ALBI recorded a total return of 1.07% m/m, the CILI inflation-linked bond index returned -1.26% m/m and cash returned 0.51% m/m.

Non-residents continued to be net sellers in the SA bond market, with the R23.2 billion outflow in October being similar to the R21.9 billion outflow in September. The total outflow over the previous 12 months now totals R282.5 billion.

RSA PROPERTY, ALTERNATIVES AND CASH

During September, listed property experienced another big up month, ending up 10.97%.

Sector fundamentals remain challenging but seem to be largely troughing and even turning in some instances. Rental growth will remain under pressure for some time given excess supply, particularly in the office sector. The latest move down has been driven mostly by expectations of rate hikes and a possible move into recession.

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. The SARBs rate hiking cycle also does not warrant an increase in our allocation.

RSA EQUITIES

Despite the ongoing issue with the electricity supply, total returns for SA stocks were virtually positive across the board. It now feels like loadshedding is now the country's default condition, with scheduled cutbacks occasionally being suspended.

With a return of -15.63% m/m, the technology sector was the only real outlier among the sectors. On the strength of the industrial materials sub-sectors of 28.71% m/m, the basic materials sector returned 4.3% m/m. The consumer-facing sectors saw positive gains, with consumer staples outperforming the consumer discretionary sector with an 8.54% m/m return. Healthcare saw a return of 11.05% m/m, compared to the financial sector's 12.84% m/m. Financials had the best total returns for the major industries over the past 12 months (13.87% y/y), while technology had the lowest total returns (-30.92% y/y).

We have started to reduce our underweight to this asset class and will consider increasing further should the opportunity arise.

INTERNATIONAL

In October, the generally negative investor sentiment improved, although concerns about a recession have only reduced slightly. High inflation in certain markets continues, keeping central banks on a path of raising interest rates.

Equity markets in the US and Europe saw positive returns as volatility decreased and risk aversion subsided. The Fed's pace of tightening continues to be the major focus in the US, however, worries about sacrificing growth to control inflation are keeping the financial markets on edge. The possibility of politically motivated uncertainty is increased by the approaching US midterm elections with the market expecting a tight race. As the region prepares for a winter without access to Russian gas, the energy markets in Europe continue to be the main topic of discussion.

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**NOVARE HOUSE VIEW: October 2022
TACTICAL POSITIONING***

	←	ON-WEIGHT	→		PREVIOUS
	UNDER-WEIGHT			OVER-WEIGHT	
DOMESTIC	Under-weight				
Equities	95%				90%
Bonds		100%			95%
Property	95%				85%
Alternatives		100%			100%
Cash		Balancing			100%
OFFSHORE			120%		120%
Equities	90%				80%
Bonds	80%				70%
Property	90%				
Alternatives				125%	100%
AFRICA		100%			

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, domestic property and onweight domestic bonds: 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

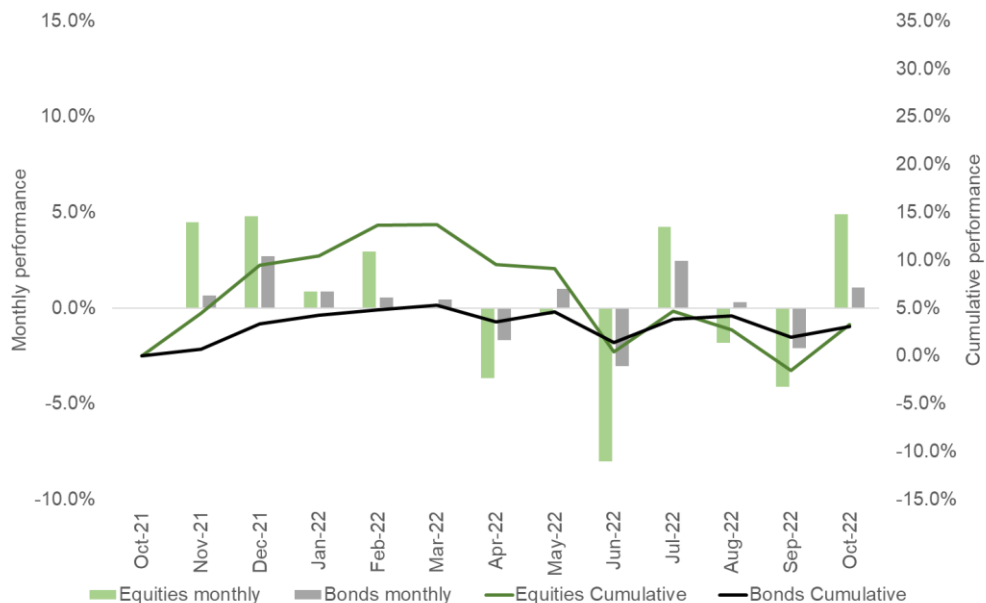
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	6.1%	-7.5%	-20.8%	-19.6%	5.3%	5.8%
MSCI Emerging Markets	-3.1%	-14.0%	-29.2%	-30.7%	-4.1%	-2.7%
Global Bonds (R)	0.8%	0.0%	-8.4%	-4.7%	0.2%	3.1%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	9.0%	-10.7%	19.3%	10.9%	15.5%	8.7%
Platinum (USD/oz)	8.1%	3.9%	-3.6%	-8.7%	0.2%	0.3%
Gold (USD/oz)	-1.2%	-7.1%	-10.3%	-8.0%	3.0%	5.2%

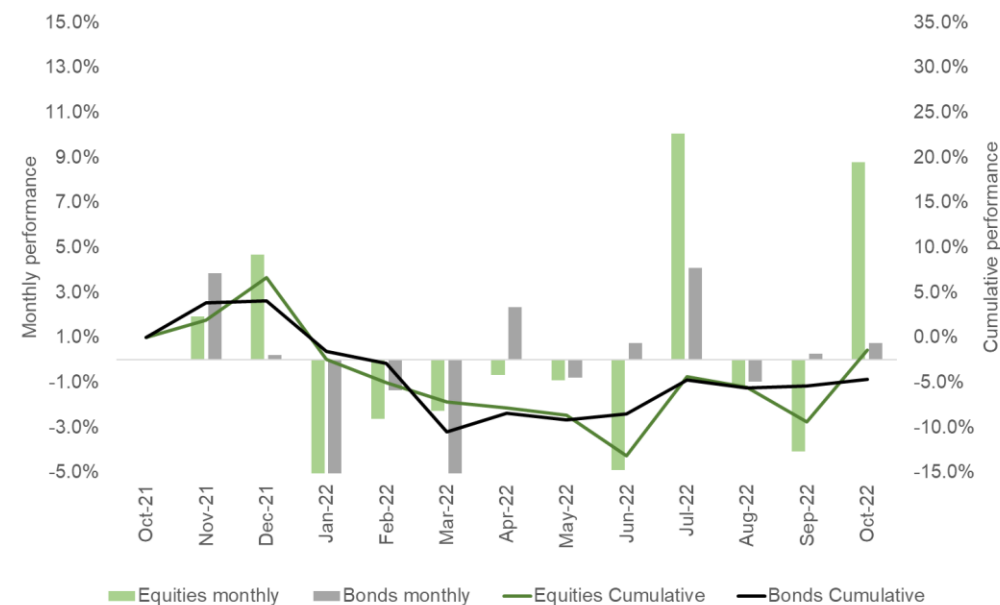
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	4.9%	-1.3%	-5.7%	3.3%	9.8%	6.2%
Domestic Bonds	1.1%	-0.8%	-0.3%	3.1%	6.2%	7.9%
Domestic Cash	0.5%	1.4%	4.1%	4.8%	4.8%	5.8%
Domestic Property	11.0%	-1.6%	-6.5%	3.0%	-6.1%	-7.5%
International Equity	8.8%	3.1%	-7.6%	-1.4%	13.8%	12.7%
International Bonds	0.8%	0.0%	-8.4%	-4.7%	0.2%	3.1%
Exchange rate (R / \$)	1.5%	10.6%	15.1%	20.3%	6.7%	5.4%

Scale:
 Best performing asset class 
 Worst performing asset class 

Domestic Markets (R) over the last 12 months



International Markets over the last 12 months



Section B

Fund Overview

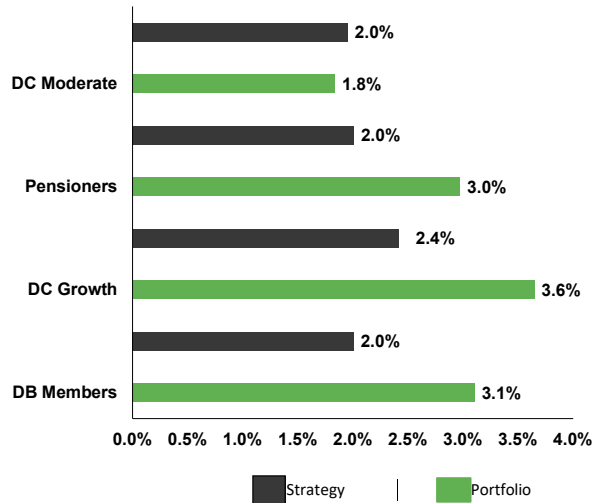


EXECUTIVE SUMMARY

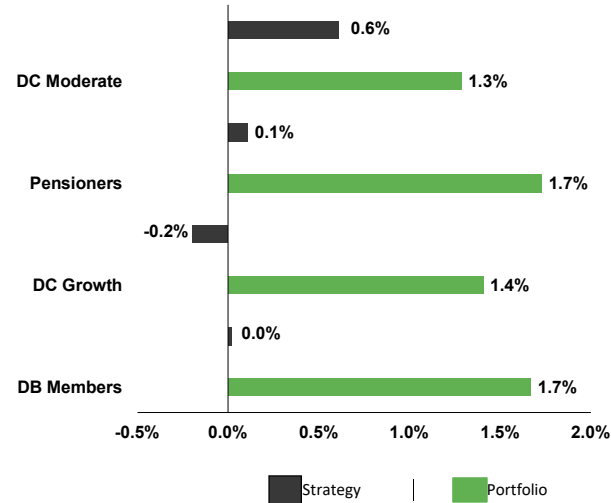
SHORT TERM RETURNS VERSUS STRATEGIES



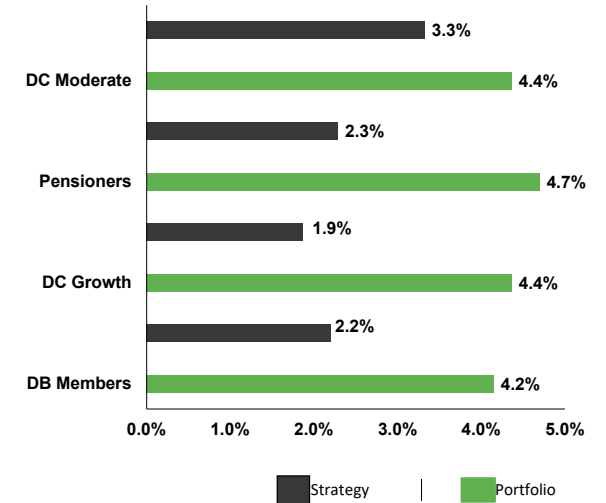
Monthly Return for October 2022



3 Months Return up to October 2022



1 Year Return up to October 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.

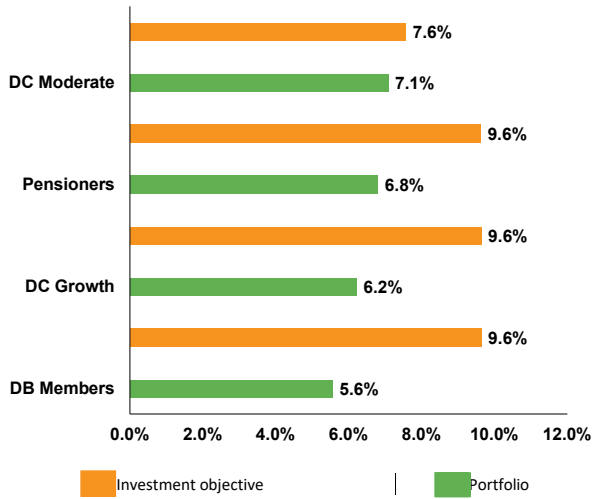
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 283 176 485	66.6%	3.1%	1.7%	-0.2%	4.2%
			2.0%	-1.3%	-3.5%	0.7%
			1.1%	3.0%	3.2%	3.4%
DC Growth Strategy	2 142 229 767	17.2%	3.6%	1.4%	-0.4%	4.4%
			2.4%	-1.5%	-4.2%	0.5%
			1.2%	2.9%	3.8%	3.9%
DC Moderate Strategy	348 937 685	2.8%	1.8%	1.3%	0.7%	4.4%
			2.0%	0.6%	0.3%	3.3%
			-0.1%	0.7%	0.5%	1.1%
Pensioner Strategy	1 663 114 597	13.4%	3.0%	1.7%	0.4%	4.7%
			2.0%	-1.2%	-3.2%	0.9%
			1.0%	2.9%	3.6%	3.8%
	12 437 458 535	100%				

EXECUTIVE SUMMARY

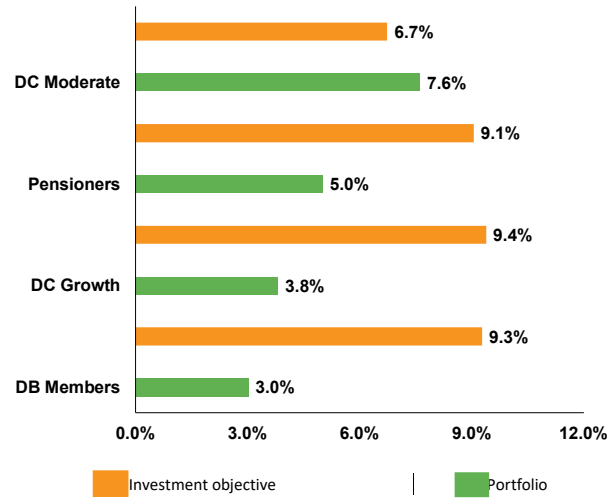
LONG TERM RETURNS VERSUS OBJECTIVES



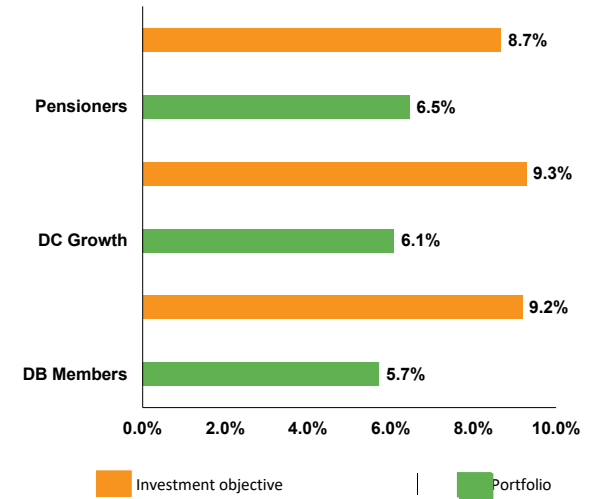
3 Year Return up to October 2022



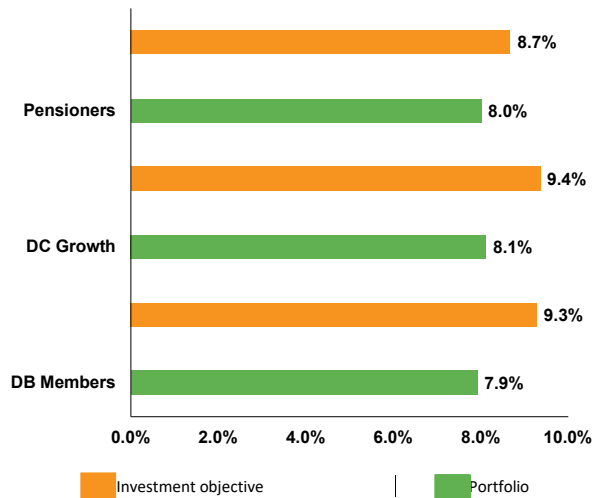
5 Year Return up to October 2022



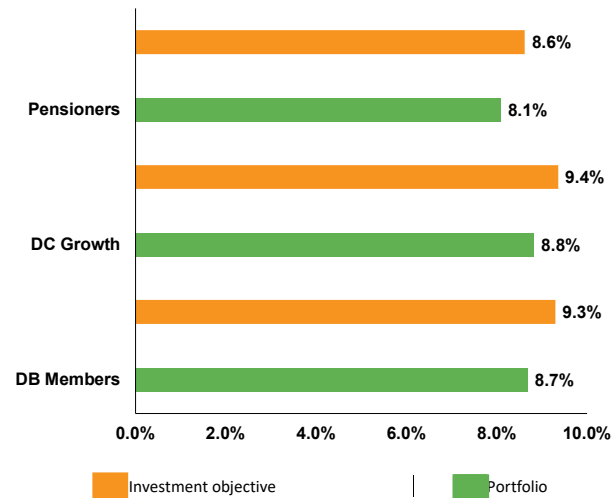
8 Year Return up to October 2022



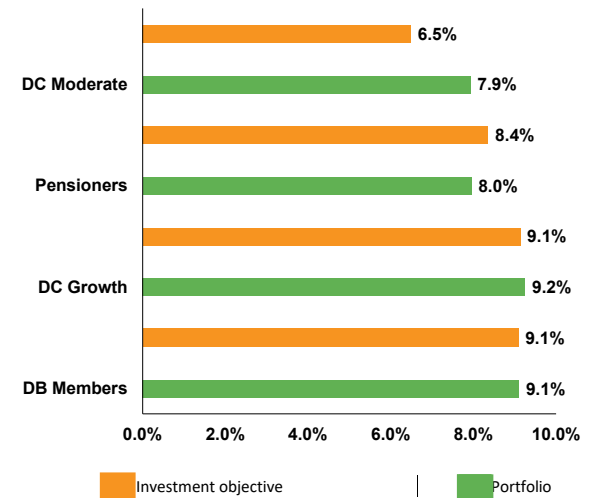
10 Year Return up to October 2022



12 Year Return up to October 2022



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

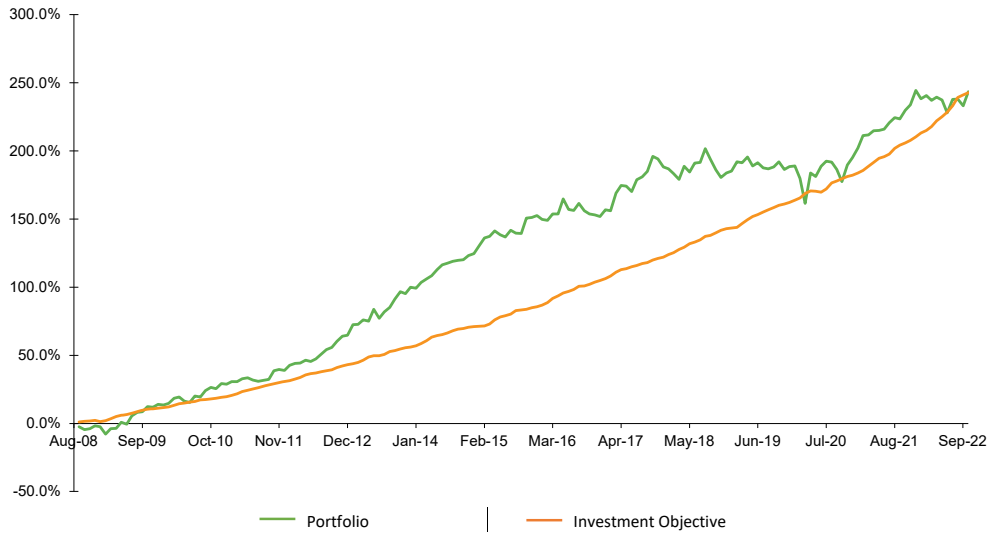
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	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	8 283 176 485	66.6%	5.6%	3.0%	5.7%	7.9%	8.7%	9.1%
			9.6%	9.3%	9.2%	9.3%	9.3%	9.1%
			-4.1%	-6.3%	-3.5%	-1.4%	-0.6%	0.0%
DC Growth Objective	2 142 229 767	17.2%	6.2%	3.8%	6.1%	8.1%	8.8%	9.2%
			9.6%	9.4%	9.3%	9.4%	9.4%	9.1%
			-3.4%	-5.6%	-3.2%	-1.2%	-0.5%	0.1%
DC Moderate Objective	348 937 685	2.8%	7.1%	7.6%	-	-	-	7.9%
			7.6%	6.7%	-	-	-	6.5%
			-0.5%	0.9%	-	-	-	1.4%
Pensioner Objective	1 663 114 597	13.4%	6.8%	5.0%	6.5%	8.0%	8.1%	8.0%
			9.6%	9.1%	8.7%	8.7%	8.6%	8.4%
			-2.8%	-4.0%	-2.2%	-0.7%	-0.5%	-0.4%
	12 437 458 535	100%						

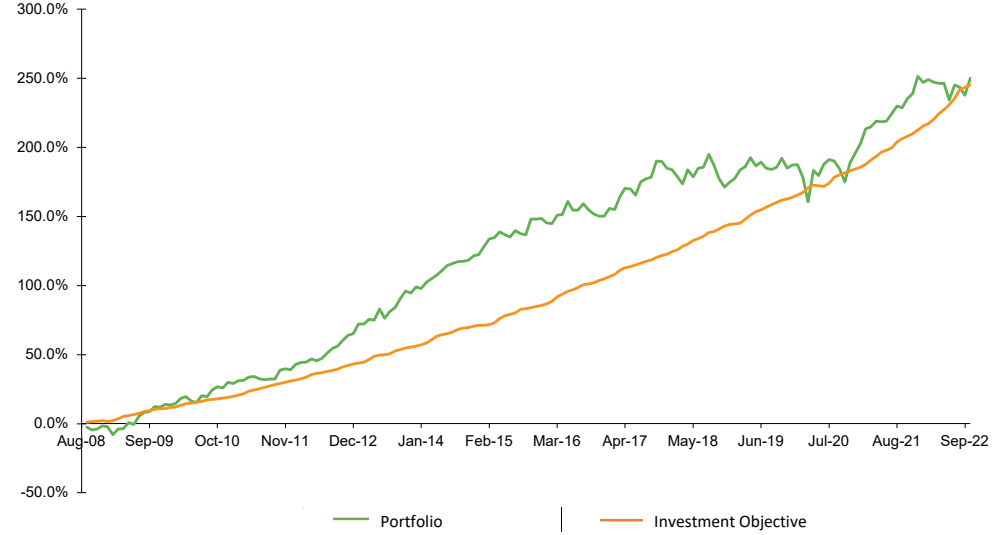
LONG TERM RETURNS

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

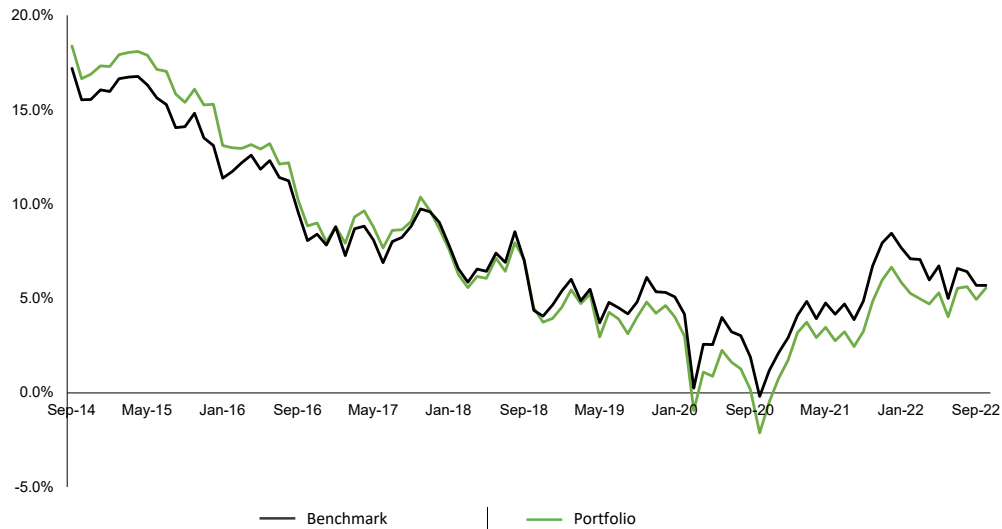
DB Members - Cumulative return since 30 September 2009



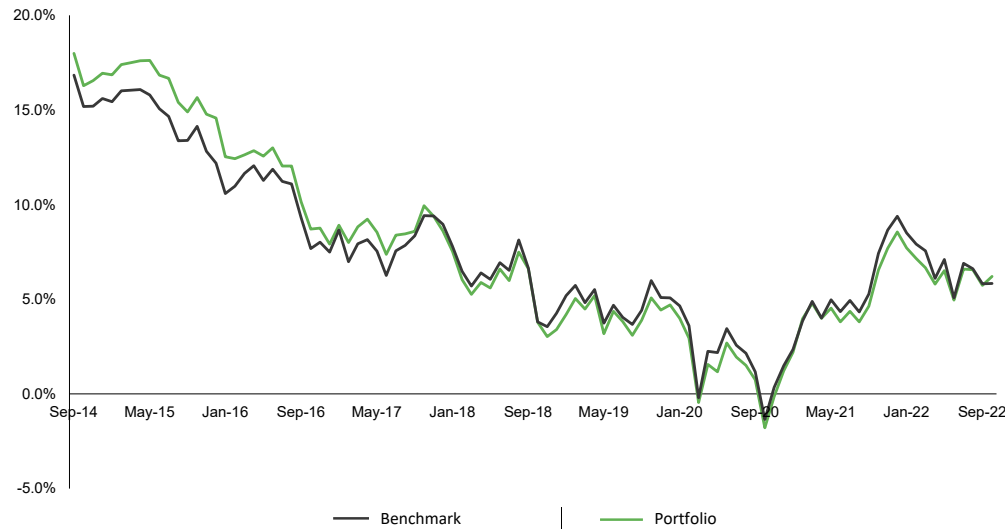
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



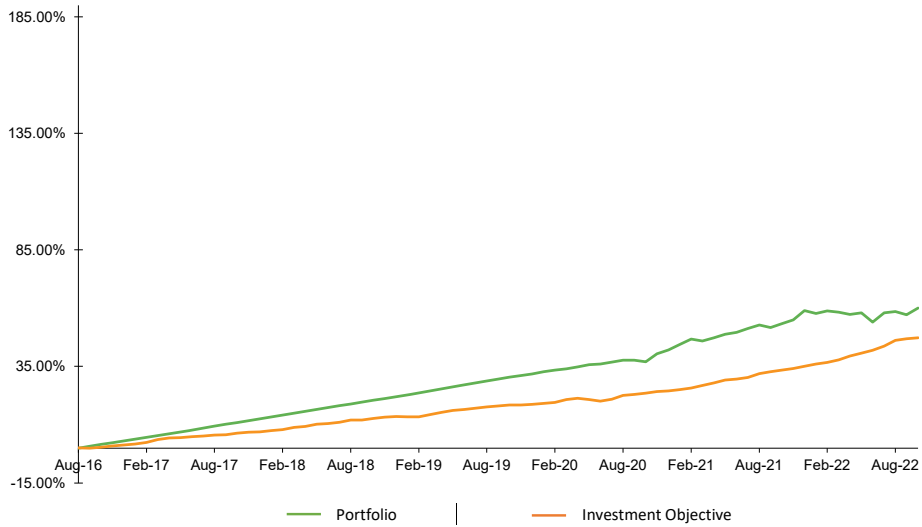
DC Growth - 3 Year Rolling Returns



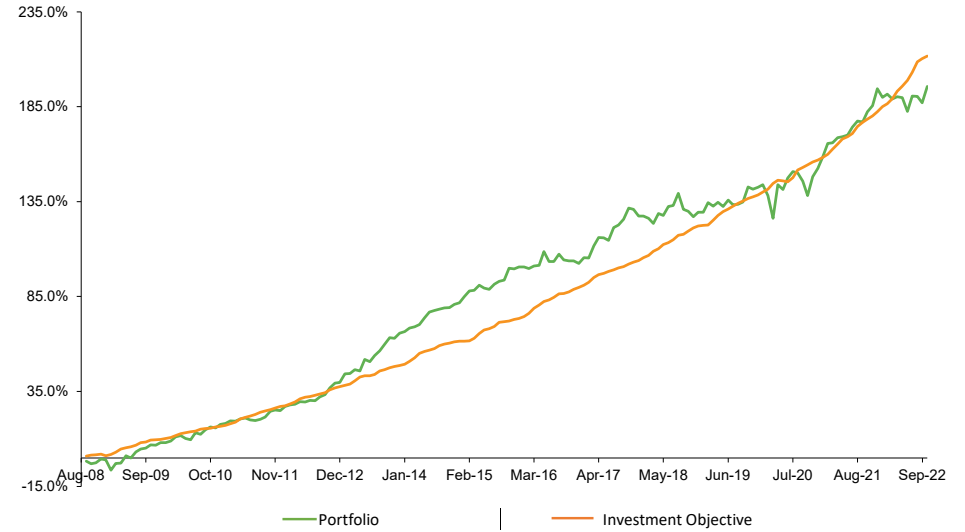
LONG TERM RETURNS

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

DC Moderate - Cumulative return since 30 September 2016



Pensioner - Cumulative return since 31 August 2008



DC Moderate - 1 Year Rolling Returns



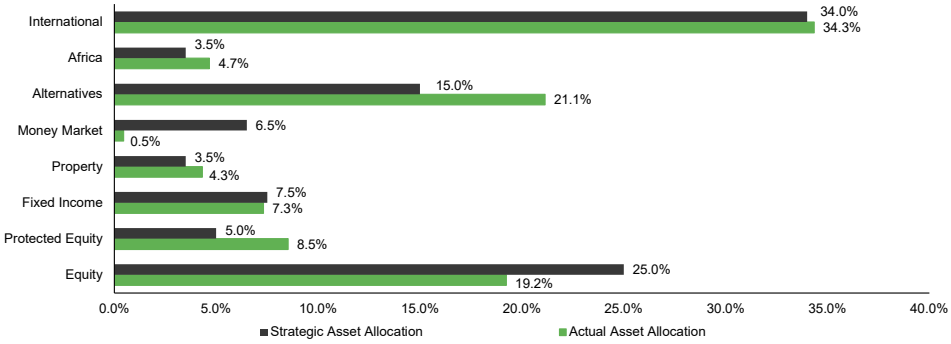
Pensioner - 3 Year Rolling Returns



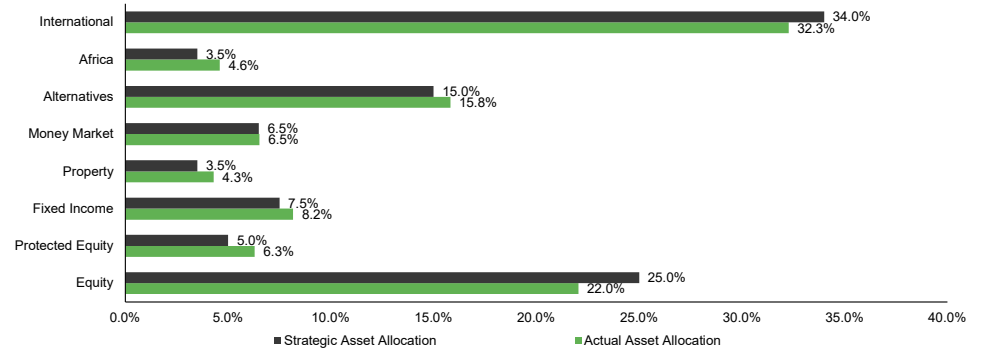
ASSET ALLOCATION



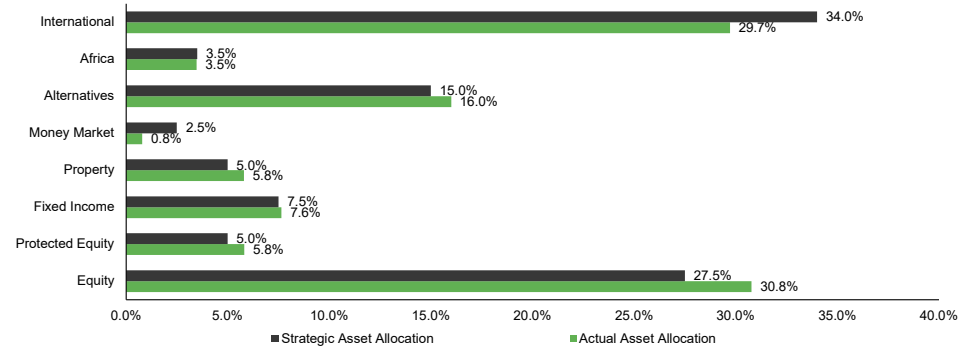
DB Members



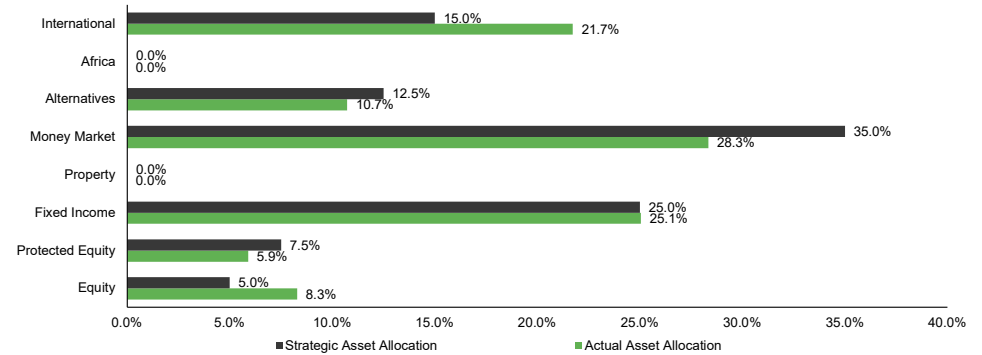
Pensioner



DC Growth



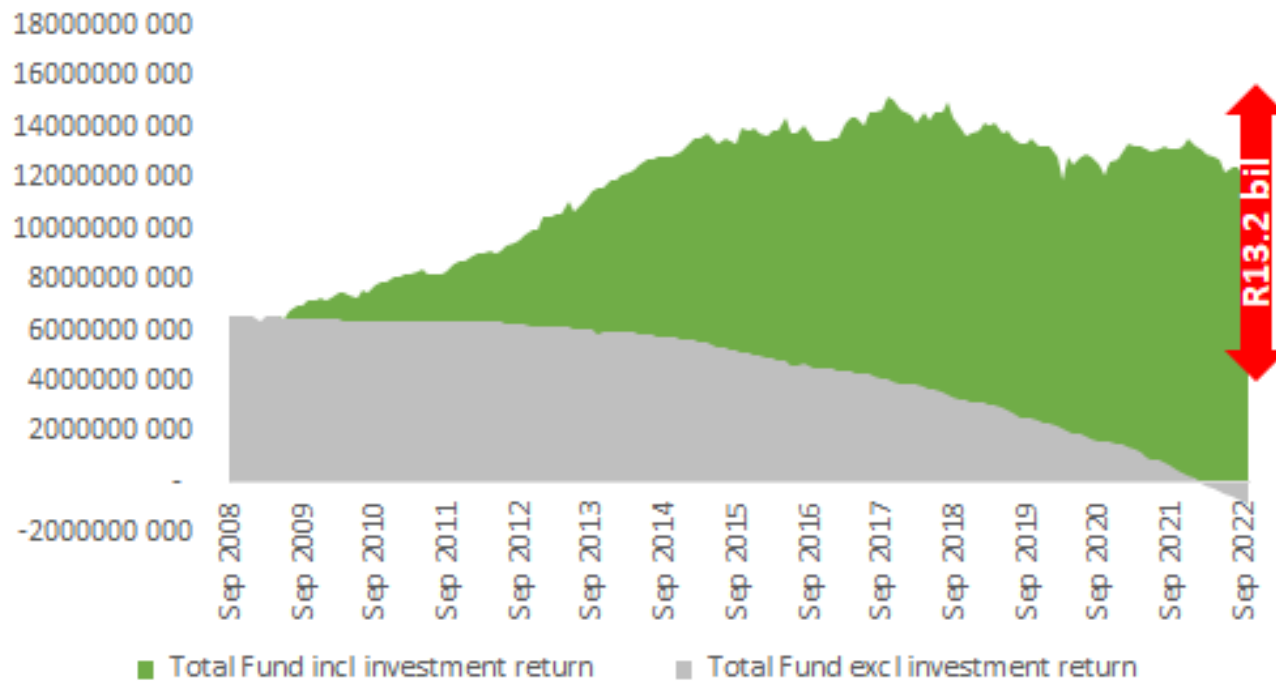
DC Moderate



LONG TERM RETURNS

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

Estimate Value Added through Investment Returns since Inception



MANAGER PERFORMANCE

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

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Equity	All Weather Equity JSE Capped Share Weighted Index	2018/10/31	466 790 839.86	3.8%	4.6%	0.6%	9.7%	12.6%	-	9.7%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
					-0.8%	0.7%	6.0%	4.3%	-	2.0%
	Aluwani Capital Equity JSE Capped Share Weighted Index	2018/10/31	468 268 004.02	3.8%	4.9%	-1.1%	0.3%	6.6%	-	6.7%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
					-0.4%	-1.0%	-3.4%	-1.7%	-	-1.1%
	Argon Equity JSE Capped Share Weighted Index	2018/10/31	297 880 805.79	2.4%	5.4%	0.3%	6.5%	9.3%	-	8.1%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
				0.1%	0.4%	2.8%	1.0%	-	0.3%	
Equity	Satrix Equity JSE Capped Share Weighted Index	2018/10/31	273 498 643.82	2.2%	5.2%	-0.2%	4.0%	8.3%	-	8.4%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
					-0.1%	-0.2%	0.3%	-0.1%	-	0.6%
	Vunani Equity JSE Capped Share Weighted Index	2018/10/31	245 867 784.64	2.0%	5.4%	-0.1%	3.0%	7.6%	-	7.4%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
					0.1%	0.0%	-0.7%	-0.7%	-	-0.4%
	Mianzo Equity JSE Capped Share Weighted Index	2018/10/31	497 379 883.20	4.0%	5.0%	0.2%	5.6%	9.8%	-	9.1%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
				-0.3%	0.3%	1.9%	1.4%	-	1.4%	
Equity Incubation	Balondolozzi Equity JSE Capped Share Weighted Index	2018/10/31	347 416 037.88	2.8%	5.2%	0.5%	6.6%	8.9%	-	7.8%
					5.3%	-0.1%	3.7%	8.4%	-	7.8%
					-0.1%	0.6%	2.9%	0.5%	-	0.0%
Equity Incubation	LIMA Mbeu Equity JSE Capped Share Weighted Index	2022/07/31	51 104 250.00	0.4%	5.1%	0.7%	-	-	-	0.7%
					5.3%	-0.1%	-	-	-	-0.1%
					-0.2%	0.8%	-	-	-	0.8%
Protected Equity	Mergence Structured Product JSE All Share Index Top 40	2019/11/01	567 883 580.73	4.6%	4.2%	-0.9%	2.3%	13.2%	-	13.2%
					4.6%	-3.9%	-1.3%	6.0%	-	6.0%
					-0.4%	3.1%	3.5%	7.1%	-	7.1%
Protected Equity	MAC Dynamic Protected Equity SALA_MAC_Dynamic_Custom 80% DTop, 20% SteFi	2022/06/01	248 303 575.13	2.0%	4.0%	1.0%	-	-	-	-1.1%
					3.8%	-2.8%	-	-	-	-6.1%
					0.2%	3.8%	-	-	-	5.0%
Protected Equity Incubation	REGIVE Protected Equity SALA REGIVE SP Custom	2022/02/01	139 539 900.00	1.1%	4.0%	-0.5%	-	-	-	-6.9%
					4.6%	-3.9%	-	-	-	-11.5%
					-0.6%	3.4%	-	-	-	4.5%

MANAGER PERFORMANCE

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

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception	
Fixed Income	Futuregrowth Infrastructure Bond All Bond Index	2008/08/31	785 725 232.29	6.3%	0.9%	-0.9%	5.2%	7.8%	9.2%	10.4%	
					1.1%	-0.8%	3.1%	6.2%	7.9%	8.3%	
						-0.1%	-0.1%	2.2%	1.5%	1.3%	2.1%
	Stanlib Bond All Bond Index	2008/08/31	207 052 915.76	1.7%	1.0%	-0.6%	4.0%	7.2%	8.6%	9.1%	
1.1%					-0.8%	3.1%	6.2%	7.9%	8.3%		
					-0.1%	0.1%	1.0%	1.0%	0.8%	0.8%	
Property	Direct Property NO BENCHMARK	2008/08/31	159 700 023.25	1.3%	-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market	Meago Property Listed Property	2012/08/31	393 922 018.66	3.2%	10.8%	-1.7%	2.7%	-5.6%	-7.1%	3.1%	
					11.0%	-1.6%	3.0%	-4.8%	-6.7%	2.3%	
					-0.2%	-0.1%	-0.4%	-0.8%	-0.4%	0.7%	
Money Market	Sanlam Cash STEFI Composite	2010/09/30	108 146 567.45	0.9%	0.7%	1.8%	5.7%	5.3%	6.7%	7.1%	
					0.5%	1.4%	4.8%	4.8%	5.8%	6.1%	
					0.2%	0.3%	0.9%	0.5%	0.9%	1.0%	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	151 097 709.69	1.2%	0.6%	1.6%	5.0%	5.2%	-	5.6%	
					0.5%	1.4%	4.8%	4.8%	-	5.4%	
					0.1%	0.2%	0.2%	0.4%	-	0.1%	
Alternatives	Mayibentsha Focused CPI + 4.5%	2011/07/31	564 019 651.05	4.5%	1.1%	0.4%	7.0%	10.8%	7.9%	8.1%	
					0.5%	2.9%	12.0%	9.6%	9.4%	9.8%	
					0.7%	-2.4%	-5.0%	1.2%	-1.5%	-1.7%	
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	468 165 567.85	3.8%	0.5%	1.6%	8.2%	8.6%	7.8%	7.8%	
					0.3%	2.4%	10.0%	7.6%	7.4%	7.8%	
					0.2%	-0.8%	-1.8%	1.0%	0.4%	0.1%	
Mayibentsha Moderate CPI + 3.5%	2008/08/31	373 083 957.72	3.0%	0.9%	0.6%	7.3%	10.4%	8.2%	8.6%		
				0.4%	2.6%	11.0%	8.6%	8.4%	8.6%		
				0.6%	-2.1%	-3.7%	1.7%	-0.2%	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
Alternatives Incubation	Terebinth Capital	2020/01/31	67 510 430.11	0.5%	-0.2%	-0.7%	17.9%	-	-	11.5%
	STEFI				0.5%	1.4%	4.8%	-	-	4.6%
					-0.7%	-2.1%	13.1%	-	-	6.9%
	Sampada Private Equity	2015/09/30	251 747 718.28	2.0%	-	-	-	-	-	-
	NO BENCHMARK				-	-	-	-	-	-
					-	-	-	-	-	-
	Sampada Private Equity 2	2019/01/31	298 462 295.48	2.4%	-	-	-	-	-	-
	NO BENCHMARK				-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Africa	REAL Fund	2022/03/01	10 162 636.19	0.1%	0.0%	0.0%	-	-	-	0.3%
	STEFI				0.5%	1.4%	-	-	-	3.4%
					-0.5%	-1.4%	-	-	-	-3.1%
	Legacy Africa	2020/01/31	181 068 809.69	1.5%	-	-	-	-	-	-
	Hurdle Rate				-	-	-	-	-	-
					-	-	-	-	-	-
	Tamela Capital	2020/01/31	19 594 344.97	0.2%	-	-	-	-	-	-
	NO BENCHMARK				-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
International	Boxwood Property Fund	2020/03/31	76 468 421.68	0.6%	-	-	-	-	-	-
	Hurdle Rate (CPI +3%)				-	-	-	-	-	-
					-	-	-	-	-	-
	Summit Africa	2019/11/30	83 448 169.04	0.7%	-	-	-	-	-	-
	Hurdle Rate (CPI +5%)				-	-	-	-	-	-
					-	-	-	-	-	-
	Novare Africa Property Fund 1	2010/07/31	407 215 930.98	3.3%	-	-	-	-	-	-
	10% in USD				-	-	-	-	-	-
					-	-	-	-	-	-
					-	-	-	-	-	-
Novare Africa Property Fund 2	2014/07/31	130 428 695.14	1.0%	-	-	-	-	-	-	
10% in USD				-	-	-	-	-	-	
				-	-	-	-	-	-	
Novare Global Balanced	2008/08/31	3 084 689 912.36	24.8%	2.7%	4.8%	1.2%	6.1%	5.0%	10.3%	
SALA NBAUIS Fund				1.9%	-2.6%	-7.7%	5.7%	6.8%	9.7%	
				0.9%	7.5%	9.0%	0.4%	-1.7%	0.7%	
SALA Global Fund	2022/04/01	1 009 432 899.97	8.1%	7.3%	2.6%	-	-	-	4.6%	
SALA Global Fund				7.3%	0.6%	-	-	-	3.4%	
				0.0%	2.0%	-	-	-	1.3%	
			12 437 458 535	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	144 851 743.4	212 524 445.2	16 619 979.7	92 794 671.6	466 790 839.9
	Aluwani Capital Equity	268 448 025.0	162 581 465.2	106 519.9	37 131 993.9	468 268 004.0
	Argon Equity	197 304 608.6	86 562 971.4	1 153 116.2	12 860 109.7	297 880 805.8
	Balondolozzi Equity	256 332 821.6	76 041 435.4	1 016 952.3	14 024 828.6	347 416 037.9
	Mianza Equity	327 005 266.2	78 972 134.3	2 107 658.0	89 294 824.8	497 379 883.2
	Satrix Equity	191 812 915.9	19 923 226.6	959 359.1	60 803 142.3	273 498 643.8
	Vunani Equity	180 579 705.9	7 933 215.7	5 703 163.3	51 651 699.7	245 867 784.6
	Lima Equity	26 994 656.8	14 776 169.6	1 227 955.5	8 105 468.2	51 104 250.0
Protected Equity	Mergence Structured Product	423 630 126.7	74 033 081.8	11 903 765.9	58 316 606.3	567 883 580.7
	MAC Dynamic Protected Equity	168 783 684.1	41 784 444.4	5 758 130.0	31 977 316.7	248 303 575.1
	Regive Protected Equity	113 329 422.0	8 872 064.6	2 924 983.9	14 413 429.6	139 539 900.0
Fixed Income	Futuregrowth Infrastructure Bond	483 673 430.7	134 666 962.0	63 164 998.9	104 219 840.7	785 725 232.3
	Stanlib Bond	122 341 601.3	28 949 013.7	24 244 134.5	31 518 166.3	207 052 915.8
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3
	Meago Property	230 630 727.8	124 210 576.0		39 080 714.9	393 922 018.7
Money Market	Cartesian Capital Money Market	30 897 454.9	3 804 248.9	32 046 882.2	84 349 123.8	151 097 709.7
	Sanlam Cash	4 038 763.1	13 201 496.0	66 805 013.7	24 101 294.7	108 146 567.5
	Transition Account	2 381 321.9				2 381 321.9
Alternatives	Mayibentsha Focused	398 032 671.1	95 871 170.2	9 613 467.8	60 502 341.9	564 019 651.1
	Mayibentsha Market Neutral	346 776 099.9	61 299 511.0	7 840 684.0	52 249 272.9	468 165 567.9
	Mayibentsha Moderate	226 084 327.3	80 700 265.4	11 163 551.8	55 135 813.2	373 083 957.7
	Terebinth Capital	53 370 941.1	1 887 625.9	8 656 052.0	3 595 811.1	67 510 430.1
	Tamela Capital	7 693 289.9	7 776 062.5		4 124 992.6	19 594 345.0
	Legacy Africa	165 596 941.7	5 712 758.5		9 759 109.5	181 068 809.7
	Sampada Private Equity	201 660 022.5	25 095 146.5		24 992 549.3	251 747 718.3
	Sampada Private Equity 2	235 298 961.1	32 554 999.6		30 608 334.8	298 462 295.5
	Boxwood Property Fund	67 258 063.0	4 853 355.7		4 357 002.9	76 468 421.7
	Summit Africa	41 214 512.0	25 692 709.2		16 540 947.9	83 448 169.0
	Real Fund	7 701 895.3	1 245 049.1		139 279.1	10 162 636.2
Africa	Novare Africa Property Fund 1	292 590 150.4	56 824 806.5		57 800 974.1	407 215 931.0
	Novare Africa Property Fund 2	94 338 622.2	17 438 547.8		18 651 525.2	130 428 695.1
International	Novare Global Balanced	2 117 729 335.7	490 035 801.2	61 323 853.2	415 600 922.3	3 084 689 912.4
	SALA Global Fund	727 476 832.9	146 405 007.5	14 458 184.1	121 092 875.5	1 009 432 900.0
Total Fund		8 283 176 485.3	2 142 229 767.1	348 937 685.1	1 663 114 597.2	12 437 458 534.6

Section C

Glossary



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 is held up, and the background is a blurred office setting.

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 to the right has columns for 'Global Equities', 'Global Bonds', and 'Global Commodities' with numerical values.

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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