



NOVARE[®]
actuaries & consultants

| **Monthly Report** |

SALA Pension Fund

July 2022

TABLE OF CONTENTS

Section A: Market Overview

Section B: Fund Overview

Section C: Glossary



REPORT OVERVIEW

SOUTH AFRICAN LOCAL AUTHORITIES PENSION FUND

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

FUND PERFORMANCE

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

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

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

MARKET OVERVIEW

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

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

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

MANAGER PERFORMANCE

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

OBJECTIVE

The objective of the DB Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Growth Portfolio represents the inflation target of CPI + 4.5%

The objective of the DC Moderate Portfolio represents the inflation target of CPI + 3%

The objective of the Pensioner Portfolio represents the inflation target of CPI + 4.5%

BENCHMARK

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

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	12.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	7.5%	STeFI
Domestic Alternatives	15%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

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

Asset Class	Allocation	Benchmark
Domestic Equities	37.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	7.5%	ALBI
Domestic Property	5%	SA Listed Property
Domestic Money Market	2.5%	STeFI
Domestic Alternatives	12.5%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

REPORT OVERVIEW

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

Asset Class	Allocation	Benchmark
Domestic Equities	26.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	12.5%	ALBI
Domestic Property	3.5%	SA Listed Property
Domestic Money Market	7.5%	STeFI
Domestic Alternatives	15%	CPI + 3.5%
Africa	5%	Fund Returns
International	25%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

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

Asset Class	Allocation	Benchmark
Domestic Equities	7.5%	Capped SWIX
Domestic Protected Equities	5%	JSE TOP 40
Domestic Fixed Income	27.5%	ALBI
Domestic Money Market	35%	STeFI
Domestic Alternatives	10%	CPI + 3.5%
International	15%	International Composite: 60% MSCI World / 40% JP Morgan Global Bond

TACTICAL LIMITS

DB Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Growth

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	55%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

Pensioner Portfolio

Asset Class	Lower limit	Upper limit
Domestic Equities	20%	50%
Domestic Fixed Income	5%	20%
Domestic Property	0%	15%
Domestic Money Market	0%	60%
Domestic Alternatives	10%	20%
Africa	0%	7.5%
International	0%	35%

DC Moderate

Asset Class	Lower limit	Upper limit
Domestic Equities	7.5%	25%
Domestic Fixed Income	20%	40%
Domestic Property	0%	10%
Domestic Money Market	15%	60%
Domestic Alternatives	2.5%	15%
Africa	0%	0%
International	5%	25%

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NAC is an Authorised Financial Service Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002. **FSP No. 815.**

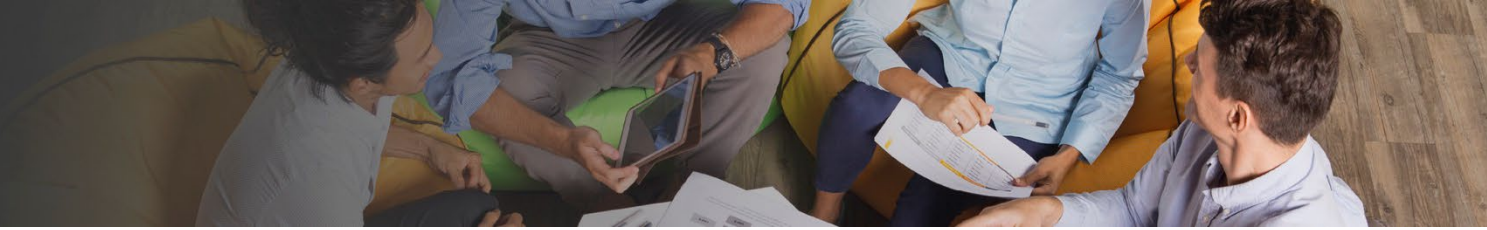
NAC is approved by the Financial Services Board in terms of Section 13B of the Pension Funds Act, 24 of 1956, as an Investment Administrator: 24/ 456.

Section A

Market Overview



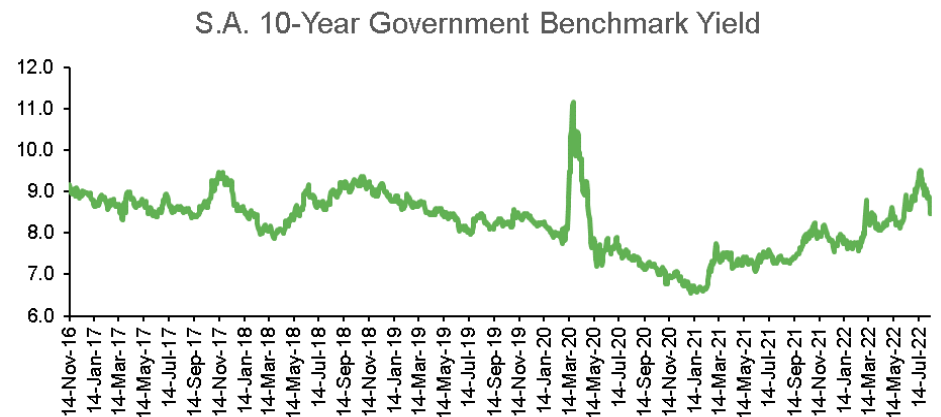
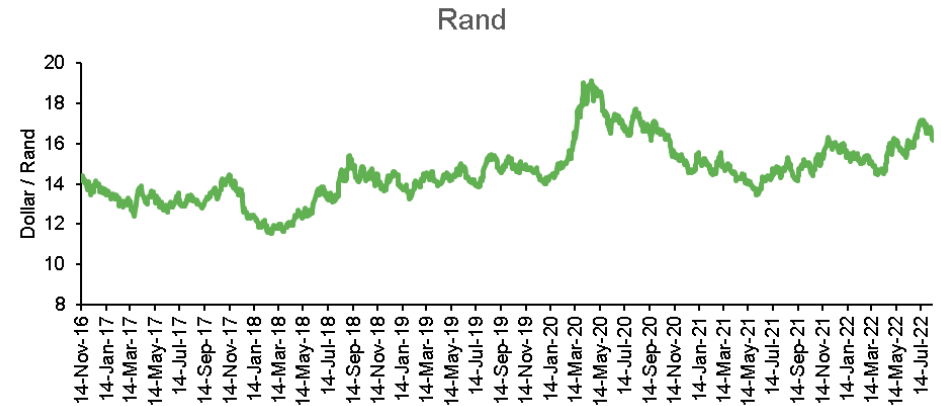
DOMESTIC MARKET VIEW



The JSE All Share Index (ALSI) gained 4.1% during month of July, turning the tides of negative performance seen in the prior month. The overall JSE Capped SWIX ALSI returned +2.8% for the month, with most sub-indices being positive.

The SA Listed Property Index was July's outperformer, gaining 8.6%, followed by the Indi-25, which rose by 5.8% for the month.

SA bonds rallied along with the global yields. The JSE All Bonds Index (ALBI), had a good month returning +2.39%. This return masks a highly volatile month with a sharp sell-off seen across EM bond markets. SA bonds also sold off sharply into the middle of the month but recovered back again towards month end as global risk appetite stabilised.

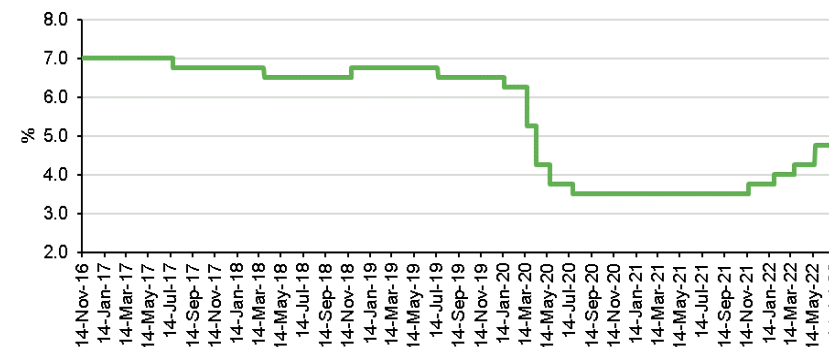


DOMESTIC MARKET VIEW

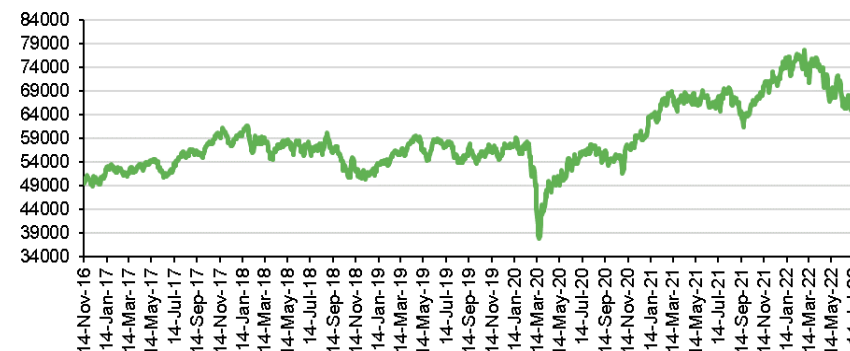
On the local economic data front, annual headline inflation, as measured by the consumer price index (CPI), followed a global trend, printing 7.4% YoY. In line with accelerated global monetary policy tightening, the SARB surprised markets with a sharp interest rate hike of 75bps, the largest hike in 20 years. Along with it was a hawkish message by the central bank, deliberately aimed at keeping future inflation expectations anchored amid high fuel and food induced inflation prints.

The first half of July saw the country remain trapped down by power cuts (load shedding) partially as a result of striking of Eskom employees. A mid-month agreement on Eskom's wage negotiations helped with the suspension of load shedding, and an announcement by government of significant measures aimed at alleviating the energy crisis helped buoy local sentiment.

Repo Rate



FTSE/JSE All Share Index

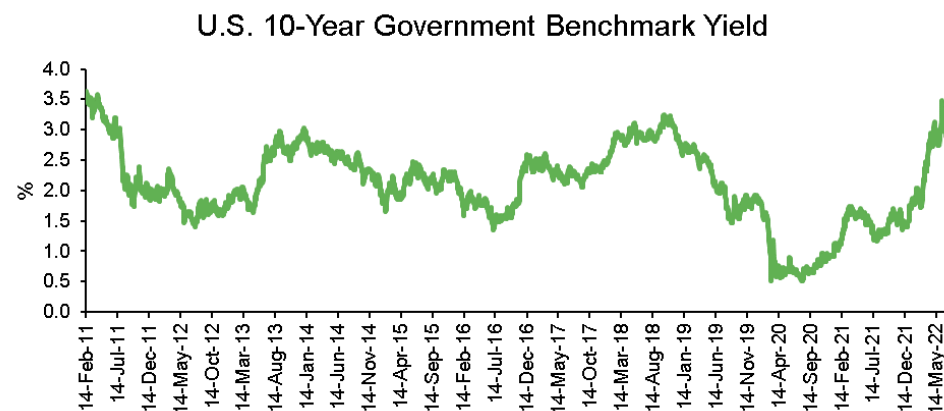
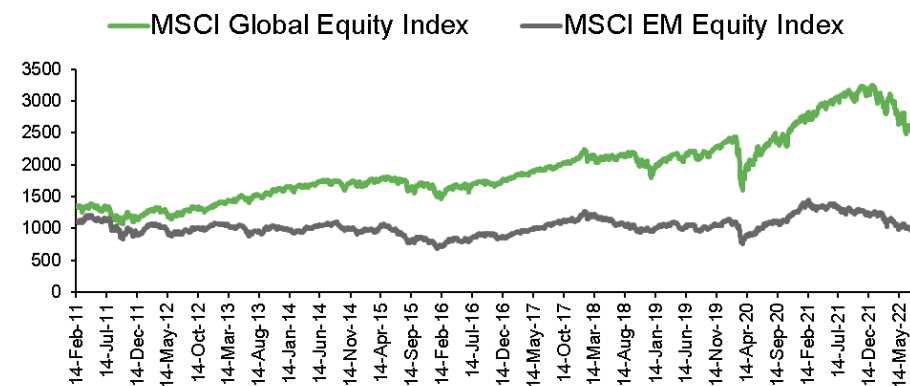


INTERNATIONAL MARKET VIEW

July 2022 ushered a remarkable global market rebound, which provided investors with some relief, following a dreadful first half of the year. The markets increasingly priced in interest rate cuts from the US Federal Reserve (Fed), emanating from market expectations that recent gloomy US economic data releases might have convinced the Fed to slow its aggressive monetary tightening. This anticipation of a policy pivot supported risk assets in delivering positive returns over the month. Global growth stocks benefited the most, delivering 11.5% for the period. MSCI World rose 7.9% for the month, boosted by both the S&P 500 which delivered 9.2% and the NASDAQ-100 Technology Sector Index with stellar performance of + 12.5%.

In the UK, the blue-chip FTSE-100 Index ended July 3.5% higher and remaining positive on a year-to-date basis. In Germany, the DAX closed the month positive (5.5%), while the eurozone's second-biggest economy, France's CAC Index ended July 8.9% in the green.

Emerging market (EM) equities ended the month with weaker performance delivering -0.2%. The performance in this sector had been dragged down by the Chinese market, which continued to grapple with the Omicron outbreak and a series of rolling lockdown measures in various Chinese cities. Concerns about the property market impacted the Chinese real estate sector which returned -19.9% total return over the month. The MSCI China index was down -9.3%, while the Hang Seng index was another laggard, dropping -7.8% for the month.



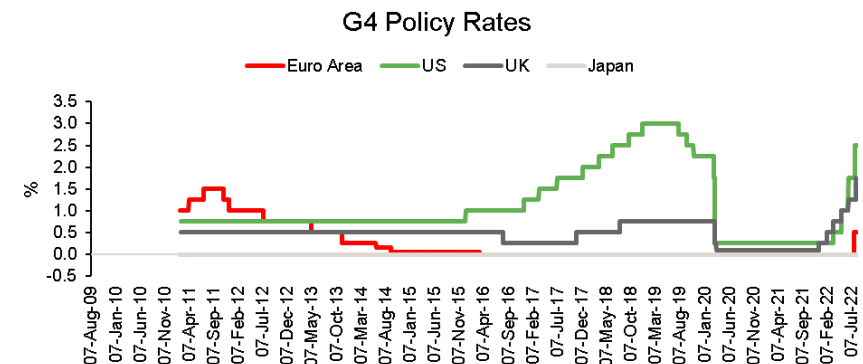
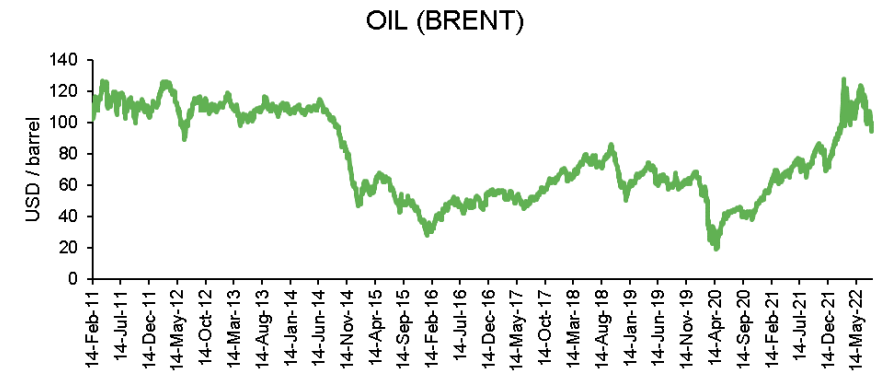
INTERNATIONAL MARKET VIEW

July saw the global economy start to feel both the full impact of higher inflation and a more hawkish monetary policy stance by central banks in attempts to curb it. Recession risk has risen in Europe, while the US GDP report of -0.9% for the second quarter reflected a consecutive contraction in activity, implying that recession is technically a reality. Despite this reality, the US Federal Reserve hiked interest rates by another 75 basis points in a continued battle against the high inflation which soared by 9.1% Year-on-Year (YoY). This latest inflation figure was above consensus expectations for the third consecutive month making it the highest reading in forty years.

The European Central Bank (ECB) also raised interest rates at its July meeting as European inflation rose 8.6% YoY for June, also coming in slightly above expectations. This was the twelfth consecutive rise in inflation for the region and it is also in new record high territory.

High energy prices remained the biggest driver of inflation in the German economy. Though it remains at 50-year record highs, Germany's July inflation rate declined for a second successive month, coming in at 7.5% YoY. The prospect of slower economic growth helped to moderate the price of oil. For the second-consecutive month, crude oil was slightly lower in a more stable range below \$110 for Brent crude, and below \$100 for WTI. Natural gas, however, spiked 52% MoM as Europe scrambled to replace Russian gas supplies amid growing fears that Russia might shut off supplies to Europe.

In the political space, Prime Minister Boris Johnson resigned after he lost the support of his parliamentary party, as more than 50 ministers quit and his allies in government decided to abandon him.



TACTICAL ASSET ALLOCATION



RSA BONDS

In the fixed income markets the ALBI returned 2.39% % during July. This return masks a highly volatile month with a sharp sell-off seen across EM bond markets. SA bonds also sold off sharply into the middle of the month but recovered back again towards month end as global risk appetite stabilised.

The yield curve shifted lower by the end of July — an increase in yield of 4bp was recorded for the shorter-dated R186, but the R2030 dropped by 22bp. Yields declined more at the longer end of the curve, with the R2048 yield lower by 32bp. The R186 returned 0.55% m/m, while the R2030 and the R2048 returned 1.97% m/m and 3.56% m/m respectively. Non-residents remained net sellers, with the R27.2bn outflow in July being slower than that of June's R33.4bn (according to Bloomberg data). This brings the cumulative outflow for the last 12 months to R308.8bn.

Annual headline inflation, as measured by the consumer price index (CPI), followed a global trend, printing 7.4% YoY. In line with accelerated global monetary policy tightening, the SARB surprised markets with a sharp interest rate hike of 75bps, the largest hike in 20 years. Along with it was a hawkish message by the central bank, deliberately aimed at keeping future inflation expectations anchored amid high fuel and food induced inflation prints.

We expect that SA bonds will continue to be driven by US rates and global risk sentiment.

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

RSA PROPERTY, ALTERNATIVES AND CASH

During July, listed property experienced a very strong month ending up 8.81%. 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 higher has been driven mostly by a larger risk-on sentiment.

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 in increase in our allocation.

RSA EQUITIES

The JSE All Share Index (ALSI) gained 4.1% during month of July, turning the tides of negative performance seen in the prior month. The overall JSE Capped SWIX ALSI returned +2.8% for the month, with most sub-indices being positive. The SA Listed Property Index was July's outperformer, gaining 8.6%, followed by the Indi-25, which rose by 5.8% for the month.

The basic materials sector eked a barely positive return of 0.82% m/m, with the industrial metals and mining (2.12% m/m) and industrial materials (3.11% m/m) sub-sectors offsetting the -5.63 m/m return in the chemicals sub-sector, and the precious metals and mining sub-sector's -0.28% m/m. The consumer-facing sectors' returns were positive, with consumer staples delivering a 1.69% m/m return, lagging the 11.61% m/m return of the consumer discretionary sector. The financial sector delivered a respectable 4.57% m/m, while the healthcare sector returned 6.77% m/m. Industrials returned 5.24% m/m. Technology and telecoms delivered 0.62% m/m and 5.49% m/m respectively. After the R24.9bn outflow in June, non-residents remained net sellers of SA equities in July, with R23.9bn outflows recorded. The cumulative equity market outflow for the last 12 months is R129.9.5bn. We have

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

INTERNATIONAL

July 2022 ushered a remarkable global market rebound, which provided investors with some relief, following a dreadful first half of the year. The markets increasingly priced in interest rate cuts from the US Federal Reserve (Fed), emanating from market expectations that recent gloomy US economic data releases might have convinced the Fed to slow its aggressive monetary tightening. This anticipation of a policy pivot supported risk assets in delivering positive returns over the month. Global growth stocks benefited the most, delivering 11.5% for the period. MSCI World rose 7.9% for the month, boosted by both the S&P 500 which delivered 9.2% and the NASDAQ-100 Technology Sector Index with stellar performance of + 12.5%.

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In the political space, Prime Minister Boris Johnson resigned after he lost the support of his parliamentary party, as more than 50 ministers quit and his allies in government decided to abandon him.

NOVARE HOUSE VIEW: July 2022 TACTICAL POSITIONING*

	← UNDER-WEIGHT	ON-WEIGHT	→ OVER-WEIGHT	PREVIOUS
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

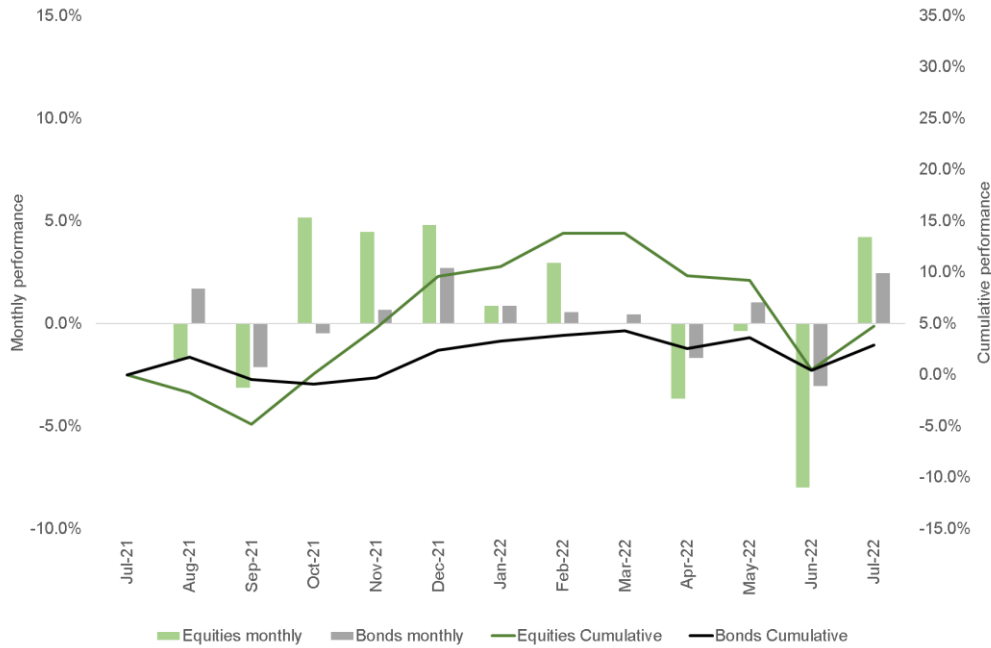
Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	7.0%	-1.8%	-14.4%	-10.1%	9.0%	8.4%
MSCI Emerging Markets	-0.2%	-6.3%	-17.6%	-19.8%	1.3%	1.3%
Global Bonds (R)	4.1%	4.1%	-8.4%	-3.0%	2.4%	4.4%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	-4.6%	-3.0%	33.7%	37.9%	17.4%	14.5%
Platinum (USD/oz)	-1.9%	-4.2%	-7.2%	-15.5%	1.0%	-0.9%
Gold (USD/oz)	-2.7%	-6.9%	-3.4%	-3.4%	7.3%	6.8%

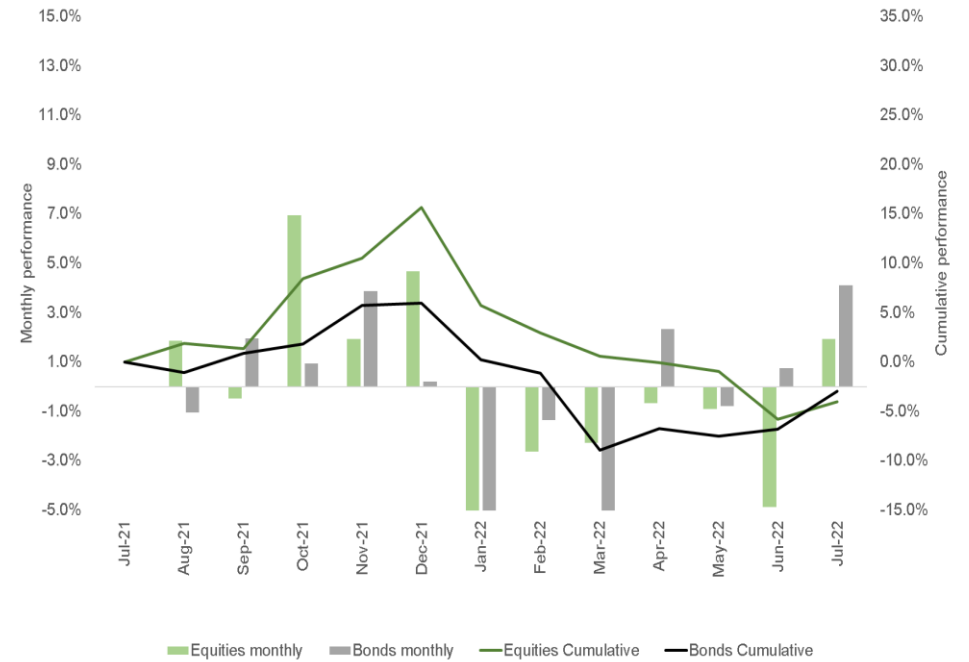
Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	4.2%	-4.5%	-4.4%	4.7%	10.6%	8.2%
Domestic Bonds	2.4%	0.3%	0.5%	2.9%	6.9%	8.0%
Domestic Cash	0.4%	1.2%	2.6%	4.3%	4.9%	5.9%
Domestic Property	8.8%	-2.4%	-5.0%	9.7%	-6.1%	-6.4%
International Equity	10.1%	3.7%	-10.4%	3.6%	15.6%	14.5%
International Bonds	4.1%	4.1%	-8.4%	-3.0%	2.4%	4.4%
Exchange rate (R / \$)	1.9%	5.0%	4.1%	13.6%	5.0%	4.7%

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

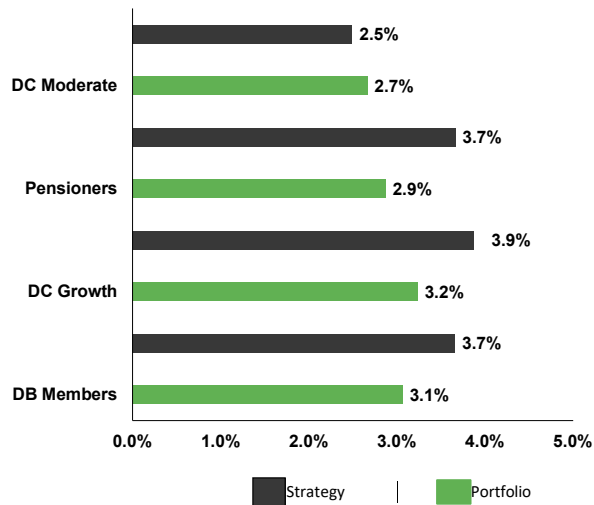


EXECUTIVE SUMMARY

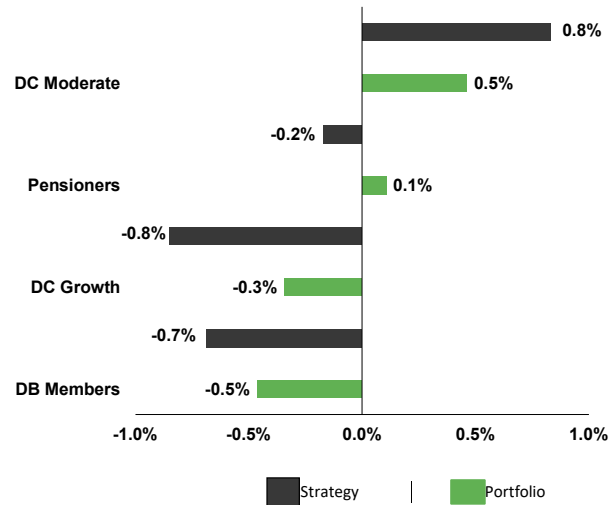
SHORT TERM RETURNS VERSUS STRATEGIES



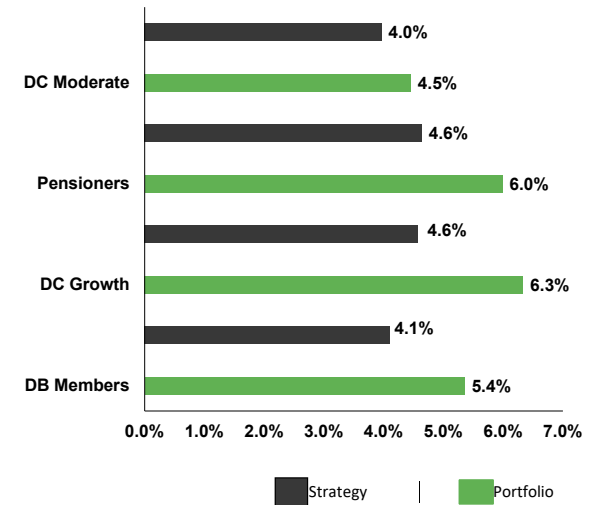
Monthly Return for July 2022



3 Months Return up to July 2022



1 Year Return up to July 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.

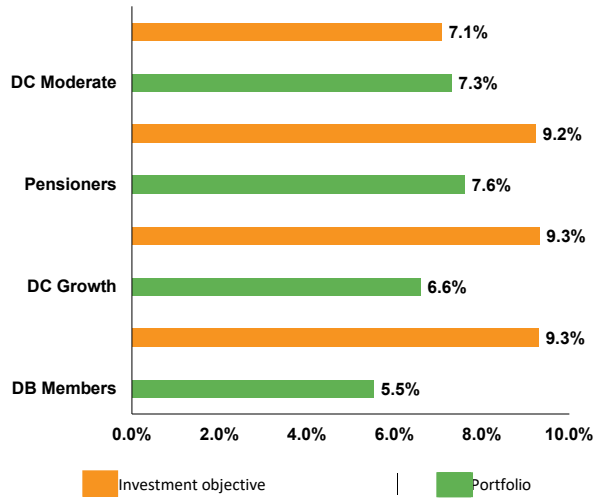
	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)
DB Members Strategy	8 341 975 104	66.9%	3.1%	-0.5%	-1.9%	5.4%
			3.7%	-0.7%	-2.4%	4.1%
			-0.6%	0.2%	0.6%	1.2%
DC Growth Strategy	2 141 889 022	17.2%	3.2%	-0.3%	-1.8%	6.3%
			3.9%	-0.8%	-3.0%	4.6%
			-0.6%	0.5%	1.2%	1.8%
DC Moderate Strategy	294 174 882	2.4%	2.7%	0.5%	-0.6%	4.5%
			2.5%	0.8%	-0.3%	4.0%
			0.2%	-0.4%	-0.2%	0.5%
Pensioner Strategy	1 692 994 833	13.6%	2.9%	0.1%	-1.3%	6.0%
			3.7%	-0.2%	-2.4%	4.6%
			-0.8%	0.3%	1.1%	1.3%
	12 471 033 841	100%				

EXECUTIVE SUMMARY

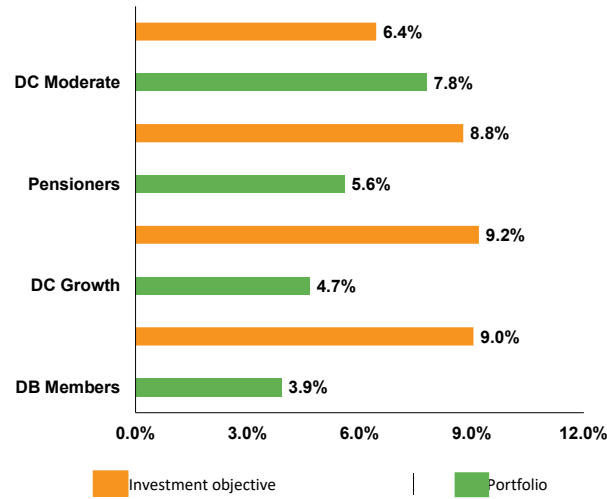
LONG TERM RETURNS VERSUS OBJECTIVES



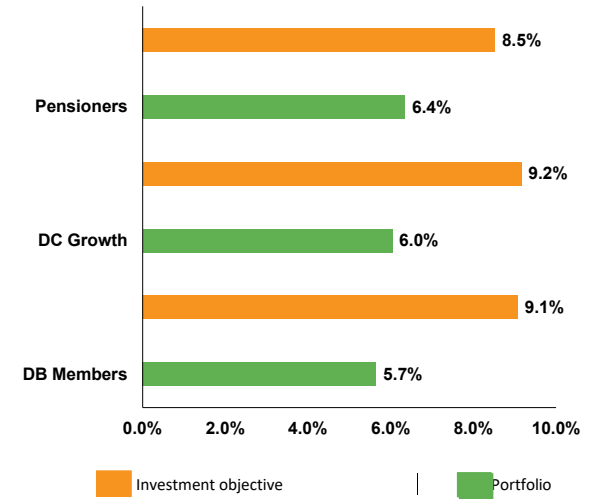
3 Year Return up to July 2022



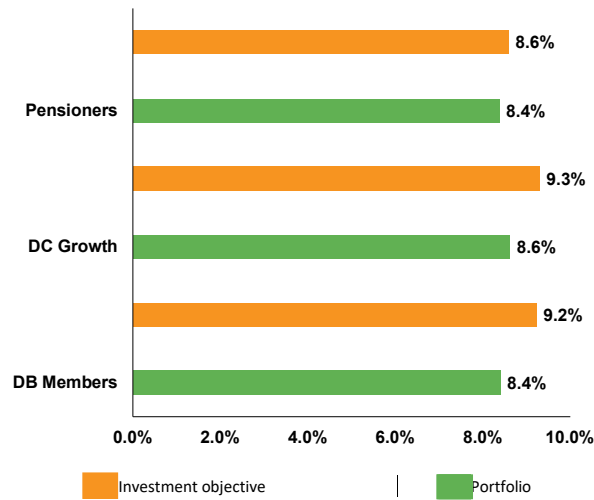
5 Year Return up to July 2022



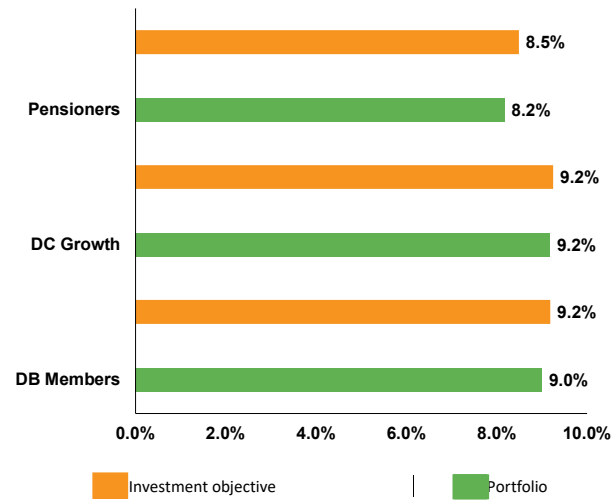
8 Year Return up to July 2022



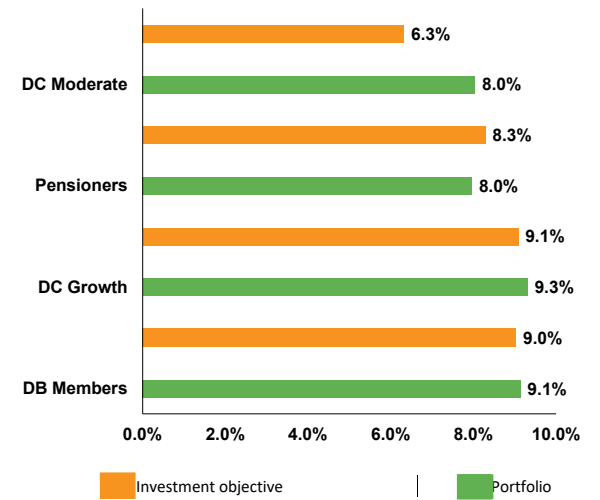
10 Year Return up to July 2022



12 Year Return up to July 2022



Returns Since Inception



PORTFOLIO MARKET VALUES AND LONG TERM RETURNS

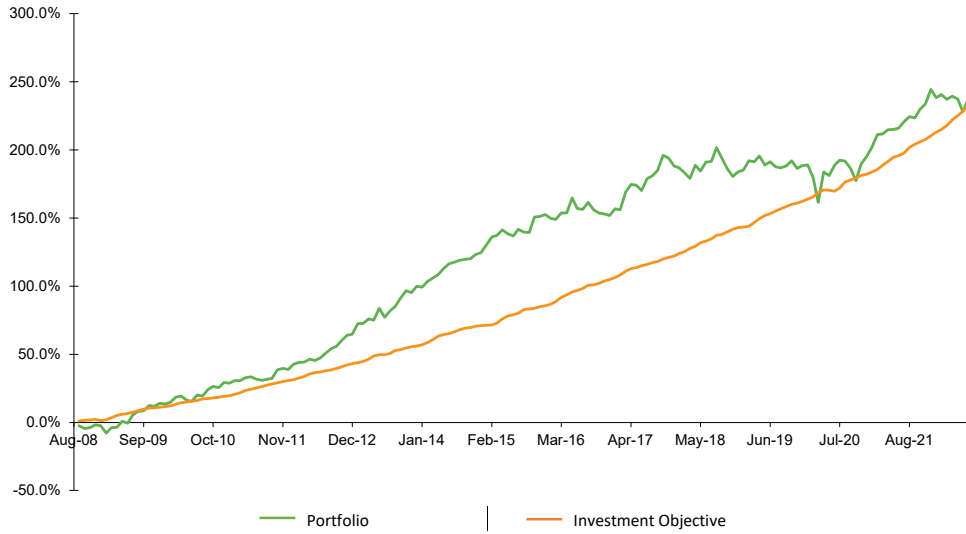
The below sets out the portfolio returns of the funds over the long term periods in comparison with their respective investment objectives.

	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	8 341 975 104	66.9%	5.5%	3.9%	5.7%	8.4%	9.0%	9.1%
			9.3%	9.0%	9.1%	9.2%	9.2%	9.0%
			-3.8%	-5.1%	-3.4%	-0.8%	-0.2%	0.1%
DC Growth Objective	2 141 889 022	17.2%	6.6%	4.7%	6.0%	8.6%	9.2%	9.3%
			9.3%	9.2%	9.2%	9.3%	9.2%	9.1%
			-2.7%	-4.5%	-3.1%	-0.7%	-0.1%	0.2%
DC Moderate Objective	294 174 882	2.4%	7.3%	7.8%	-	-	-	8.0%
			7.1%	6.4%	-	-	-	6.3%
			0.2%	1.4%	-	-	-	1.7%
Pensioner Objective	1 692 994 833	13.6%	7.6%	5.6%	6.4%	8.4%	8.2%	8.0%
			9.2%	8.8%	8.5%	8.6%	8.5%	8.3%
			-1.6%	-3.2%	-2.2%	-0.2%	-0.3%	-0.3%
	12 471 033 841	100%						

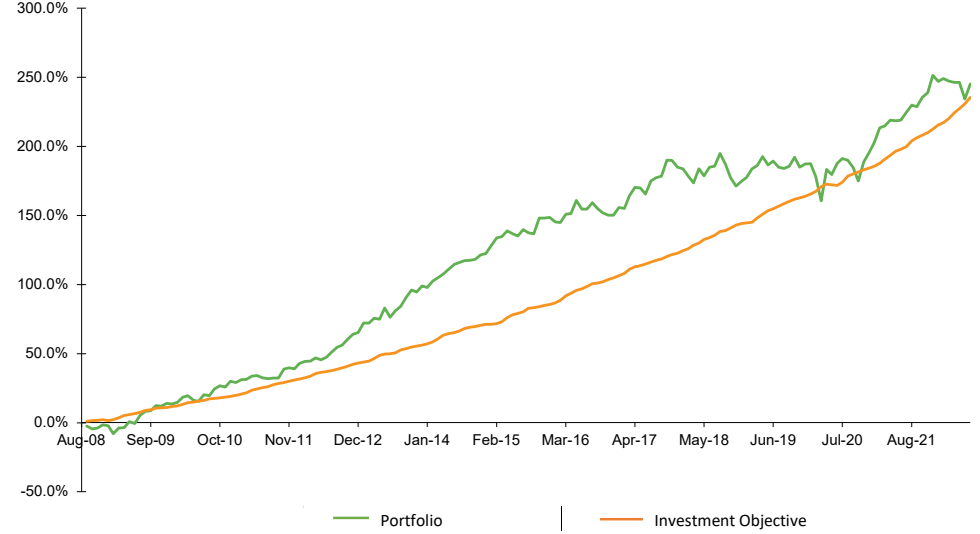
LONG TERM RETURNS

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.

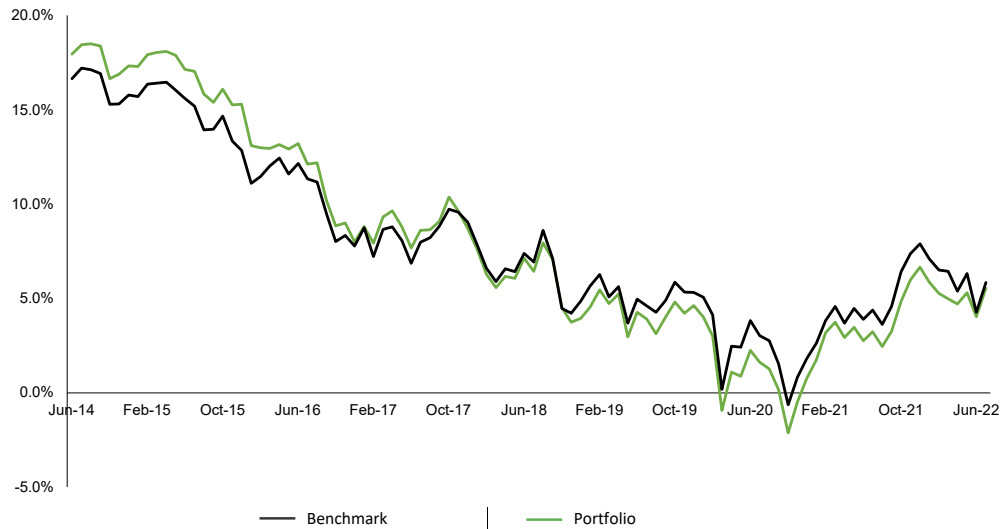
DB Members - Cumulative return since 30 September 2009



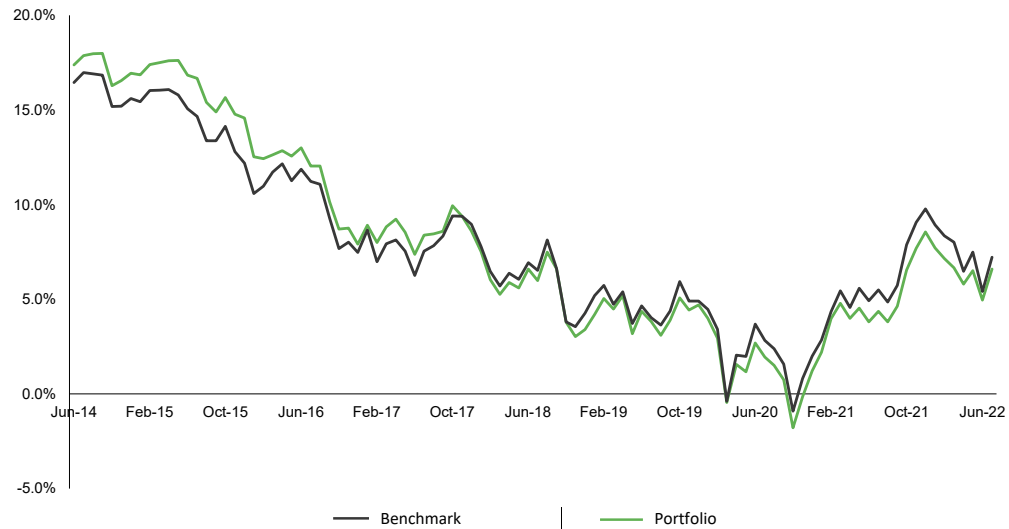
DC Growth - Cumulative return since 30 September 2009



DB Members - 3 Year Rolling Returns



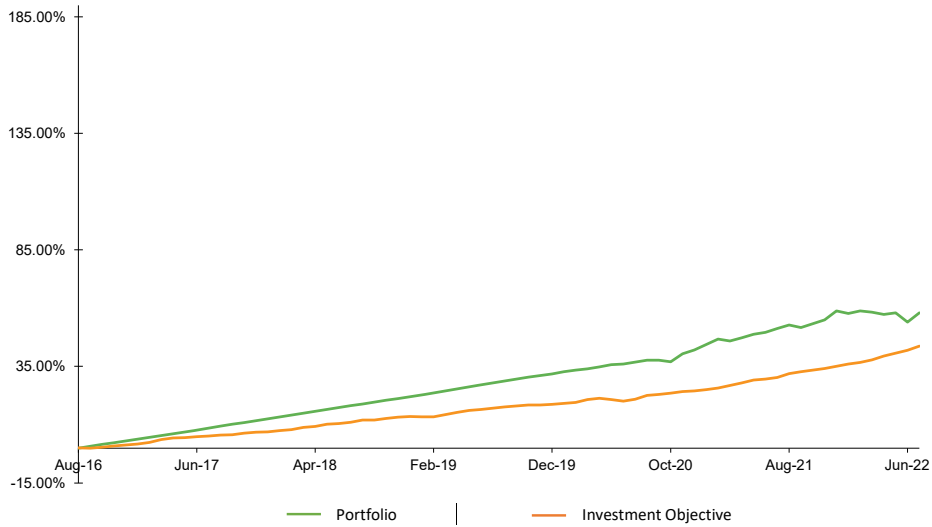
DC Growth - 3 Year Rolling Returns



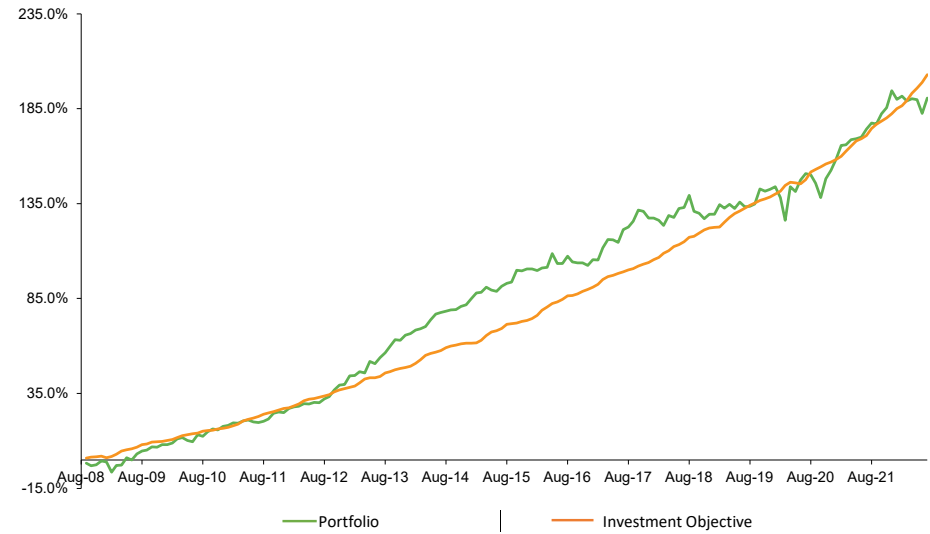
LONG TERM RETURNS

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.

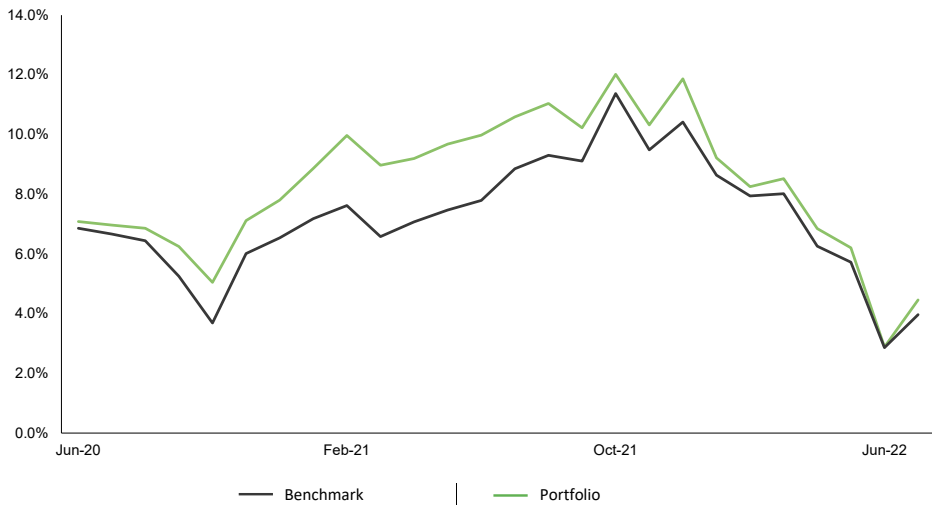
DC Moderate - Cumulative return since 30 September 2016



Pensioner - Cumulative return since 31 August 2008



DC Moderate - 1 Year Rolling Returns



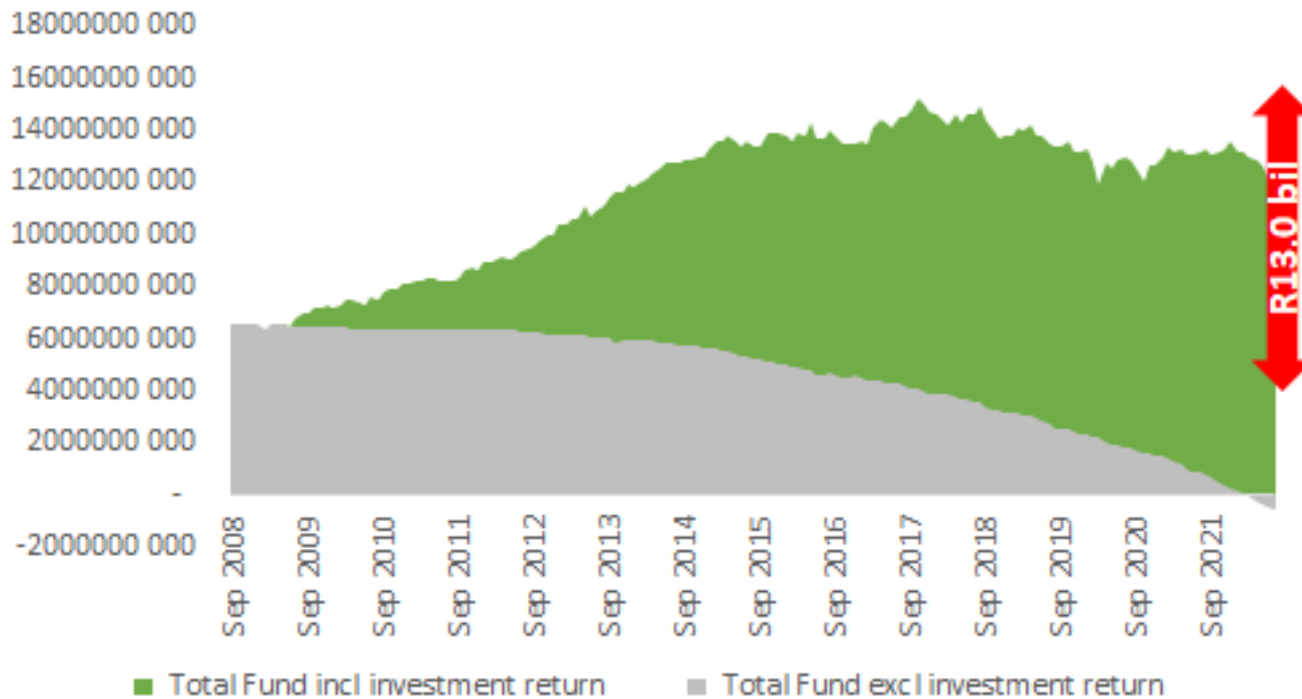
Pensioner - 3 Year Rolling Returns



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.

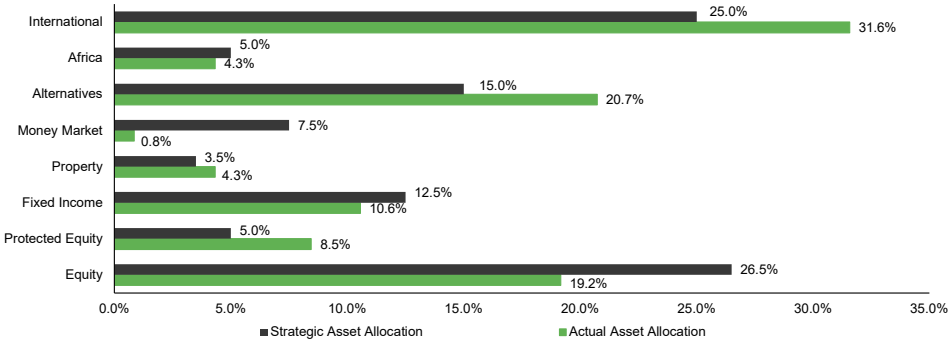
Estimate Value Added through Investment Returns since Inception



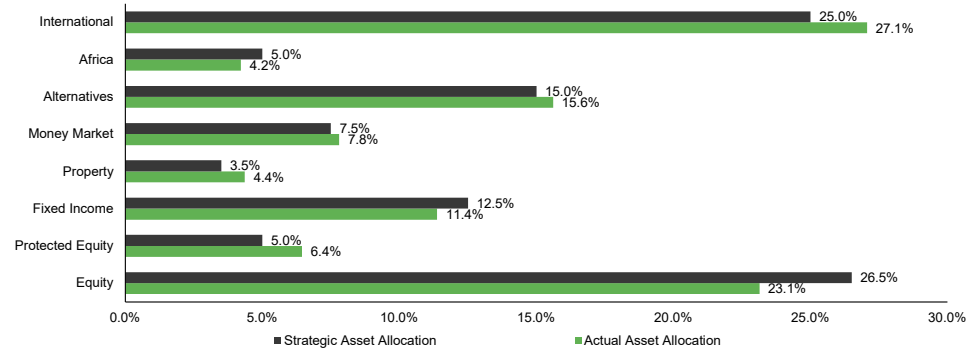
ASSET ALLOCATION



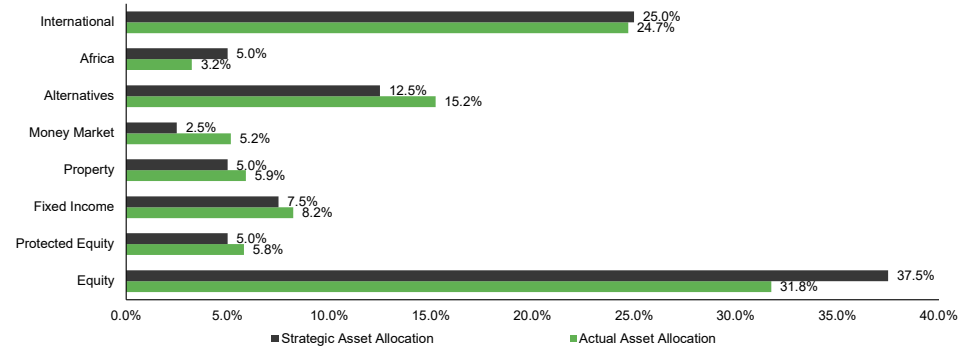
DB Members



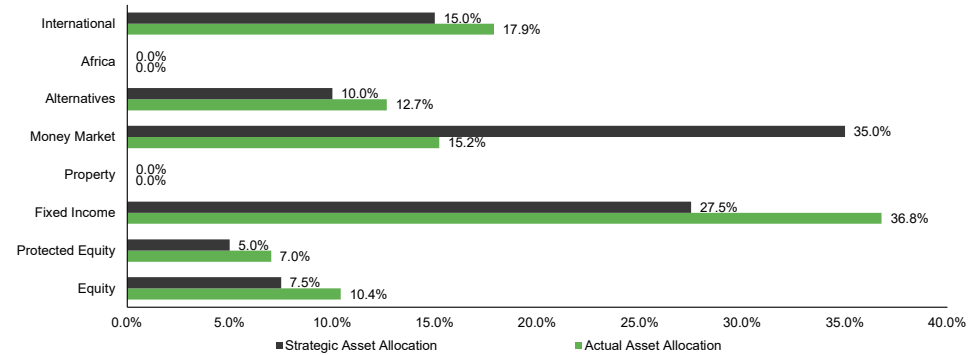
Pensioner



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	516 440 831.79	4.1%	2.8%	-1.1%	14.7%	11.6%	-	10.2%
	JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%
					0.0%	3.2%	7.5%	2.7%	-	1.9%
	Aluwani Capital Equity	2018/10/31	474 002 356.67	3.8%	2.9%	-4.4%	2.6%	7.2%	-	7.4%
	JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%
					0.0%	-0.1%	-4.6%	-1.7%	-	-0.9%
Argon Equity	2018/10/31	297 393 168.09	2.4%	2.7%	-2.3%	10.8%	10.4%	-	8.6%	
JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%	
				-0.1%	2.0%	3.6%	1.5%	-	0.3%	
Satrix Equity	2018/10/31	274 189 426.01	2.2%	2.6%	-5.5%	6.7%	9.5%	-	9.0%	
JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%	
				-0.2%	-1.1%	-0.5%	0.5%	-	0.7%	
Vunani Equity	2018/10/31	246 179 908.40	2.0%	2.8%	-4.9%	6.2%	8.2%	-	7.9%	
JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%	
				0.0%	-0.6%	-1.0%	-0.7%	-	-0.4%	
Equity Incubation	Mianza Equity	2018/10/31	496 789 005.83	4.0%	3.0%	-3.1%	9.8%	10.3%	-	9.7%
	JSE Capped Share Weighted Index				2.8%	-4.3%	7.2%	8.9%	-	8.3%
					0.2%	1.3%	2.6%	1.4%	-	1.4%
	Balondolozzi Equity	2018/10/31	346 015 614.65	2.8%	4.7%	-2.1%	8.6%	8.8%	-	8.1%
JSE Capped Share Weighted Index	2.8%				-4.3%	7.2%	8.9%	-	8.3%	
	1.9%				2.3%	1.4%	-0.1%	-	-0.2%	
LIMA Mbeu Equity	2022/07/31	49 999 999.99	0.4%	-	-	-	-	-	-	
					-	-	-	-	-	
					-	-	-	-	-	
Protected Equity	Mergence Structured Product	2019/11/01	572 806 859.88	4.6%	3.7%	-5.4%	2.5%	-	-	14.8%
	JSE All Share Index Top 40				3.9%	-4.6%	-0.6%	-	-	8.1%
					-0.3%	-0.8%	3.1%	-	-	6.7%
MAC Dynamic Protected Equity	2022/06/01	245 903 964.58	2.0%	3.1%	-	-	-	-	-2.1%	
SALA_MAC_Dynamic_Custom 80% DTop, 20% SteFi				3.2%	-	-	-	-	-3.4%	
				-0.2%	-	-	-	-	1.3%	
Protected Equity Incubation	REGIVE Protected Equity	2022/02/01	140 230 500.00	1.1%	1.1%	-2.0%	-	-	-	-6.5%
	SALA REGIVE SP Custom				3.9%	-4.6%	-	-	-	-7.9%
					-2.8%	2.6%	-	-	-	1.4%

MANAGER PERFORMANCE

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

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception	
Fixed Income	Futuregrowth Infrastructure Bond All Bond Index	2008/08/31	1 100 336 237.75	8.8%	3.1%	1.0%	5.6%	8.6%	9.5%	10.7%	
					2.4%	0.3%	2.9%	6.9%	8.0%	8.5%	
						0.7%	0.7%	2.8%	1.7%	1.6%	2.2%
	Stanlib Bond All Bond Index	2008/08/31	258 409 889.27	2.1%	2.6%	0.6%	4.0%	7.9%	8.9%	9.3%	
2.4%					0.3%	2.9%	6.9%	8.0%	8.5%		
					0.2%	0.3%	1.1%	1.0%	0.9%	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	401 165 930.91	3.2%	8.6%	-2.8%	9.9%	-5.4%	-6.0%	3.3%	
					8.8%	-2.4%	9.7%	-4.7%	-5.7%	2.6%	
					-0.2%	-0.4%	0.1%	-0.6%	-0.3%	0.8%	
Money Market	Sanlam Cash STEFI Composite	2010/09/30	206 924 391.89	1.7%	0.6%	1.5%	5.0%	5.4%	6.8%	7.1%	
					0.4%	1.2%	4.3%	4.9%	5.9%	6.1%	
					0.2%	0.2%	0.7%	0.5%	0.9%	1.0%	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
					-	-	-	-	-	-	
Money Market Incubation	Cartesian Capital Money Market STEFI Composite	2018/10/31	148 712 146.35	1.2%	0.1%	0.9%	4.4%	5.2%	-	5.5%	
					0.4%	1.2%	4.3%	4.9%	-	5.4%	
					-0.4%	-0.3%	0.1%	0.3%	-	0.1%	
Alternatives	Mayibentsha Focused CPI + 4.5%	2011/07/31	561 560 082.49	4.5%	2.2%	2.7%	7.8%	10.6%	8.0%	8.2%	
					1.4%	3.4%	11.9%	9.3%	9.2%	9.7%	
					0.8%	-0.7%	-4.1%	1.3%	-1.2%	-1.5%	
	Mayibentsha Market Neutral CPI + 2.5%	2011/07/31	460 819 877.94	3.7%	1.6%	2.6%	8.0%	8.5%	7.7%	7.8%	
					1.3%	2.9%	9.9%	7.3%	7.2%	7.7%	
					0.3%	-0.4%	-1.9%	1.2%	0.5%	0.1%	
Mayibentsha Moderate CPI + 3.5%	2008/08/31	370 975 905.37	3.0%	1.8%	2.9%	8.0%	10.3%	8.4%	8.7%		
				1.3%	3.2%	10.9%	8.3%	8.2%	8.6%		
				0.5%	-0.2%	-2.9%	2.0%	0.2%	0.1%		

MANAGER PERFORMANCE

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

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Inception
Alternatives Incubation	Terebinth Capital STEFI	2020/01/31	67 975 009.07	0.5%	2.3% 0.4% 1.8%	10.7% 1.2% 9.5%	12.5% 4.3% 8.2%	- - -	- - -	13.1% 4.5% 8.6%
	Sampada Private Equity NO BENCHMARK	2015/09/30	236 079 258.65	1.9%	- - -	- - -	- - -	- - -	- - -	- - -
	Sampada Private Equity 2 NO BENCHMARK	2019/01/31	305 134 844.24	2.4%	- - -	- - -	- - -	- - -	- - -	- - -
	REAL Fund STEFI	2022/03/01	10 086 517.56	0.1%	-0.3% 0.4% -0.7%	-0.3% 1.2% -1.5%	- - -	- - -	- - -	0.3% 2.0% -1.6%
	Legacy Africa Hurdle Rate	2020/01/31	206 450 248.83	1.7%	- - -	- - -	- - -	- - -	- - -	- - -
	Tamela Capital NO BENCHMARK	2020/01/31	12 429 864.91	0.1%	- - -	- - -	- - -	- - -	- - -	- - -
	Boxwood Property Fund Hurdle Rate (CPI +3%)	2020/03/31	73 825 120.63	0.6%	- - -	- - -	- - -	- - -	- - -	- - -
Africa	Summit Africa Hurdle Rate (CPI +5%)	2019/11/30	52 124 774.01	0.4%	- - -	- - -	- - -	- - -	- - -	- - -
	Novare Africa Property Fund 1 10% in USD	2010/07/31	385 573 504.08	3.1%	- - -	- - -	- - -	- - -	- - -	- - -
	Novare Africa Property Fund 2 10% in USD	2014/07/31	116 607 494.76	0.9%	- - -	- - -	- - -	- - -	- - -	- - -
International	Novare Global Balanced 60% Equity / 40% Bonds	2008/08/31	2 690 452 589.40	21.6%	3.1% 7.6% -4.5%	3.3% 3.6% -0.3%	1.7% 0.0% 1.7%	6.2% 9.2% -3.0%	6.0% 9.2% -3.2%	10.2% 10.1% 0.1%
	SALA Global Fund SALA Global Fund	2022/04/01	983 375 525.64	7.9%	7.5% 9.3% -1.8%	0.3% 2.5% -2.2%	- - -	- - -	- - -	1.9% 2.7% -0.8%
			12 471 033 841	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	157 031 860.7	234 307 080.6	18 387 756.2	106 714 134.3	516 440 831.8	
	Aluwani Capital Equity	270 553 975.7	164 271 317.9	107 824.3	39 069 238.7	474 002 356.7	
	Argon Equity	196 578 058.4	86 318 414.1	1 151 228.5	13 345 467.1	297 393 168.1	
	Balondolozzi Equity	254 860 498.7	75 623 017.1	1 012 853.0	14 519 245.8	346 015 614.7	
	Mianzo Equity	323 813 397.9	78 163 842.3	2 105 154.1	92 706 611.5	496 789 005.8	
	Satrix Equity	190 381 382.9	19 485 234.0	961 782.1	63 361 027.0	274 189 426.0	
	Vunani Equity	179 183 364.6	7 528 988.8	5 710 403.4	53 757 151.6	246 179 908.4	
	Lima Equity	26 162 094.2	14 393 361.1	1 201 422.1	8 243 122.6	50 000 000.0	
	Protected Equity	Mergence Structured Product	425 453 889.8	74 203 699.9	12 006 965.9	61 142 304.2	572 806 859.9
MAC Dynamic Protected Equity		166 157 154.0	41 126 949.3	5 702 483.3	32 917 378.0	245 903 964.6	
Regive Protected Equity		113 435 015.8	8 799 938.4	2 939 460.0	15 056 085.9	140 230 500.0	
Fixed Income	Futuregrowth Infrastructure Bond	730 168 290.0	140 458 087.2	77 999 727.2	151 710 133.3	1 100 336 237.8	
	Stanlib Bond	151 450 546.8	35 814 354.3	30 257 599.0	40 887 389.1	258 409 889.3	
Property	Direct Property	127 317 543.5			32 382 479.8	159 700 023.3	
	Meago Property	233 620 864.0	126 175 883.5		41 369 183.5	401 165 930.9	
Money Market	Cartesian Capital Money Market	27 800 224.9	3 079 149.0	31 540 919.1	86 291 853.4	148 712 146.4	
	Sanlam Cash	40 695 538.3	107 280 912.5	13 225 249.6	45 722 691.6	206 924 391.9	
	Transition Account	2 362 968.3				2 362 968.3	
Alternatives	Mayibentsha Focused	394 403 512.2	94 970 536.7	9 571 545.6	62 614 488.0	561 560 082.5	
	Mayibentsha Market Neutral	339 718 517.6	59 925 707.1	7 717 660.8	53 457 992.5	460 819 877.9	
	Mayibentsha Moderate	223 083 628.6	79 805 093.7	11 100 473.9	56 986 709.2	370 975 905.4	
	Terebinth Capital	53 624 415.3	1 871 611.9	8 715 619.4	3 763 362.5	67 975 009.1	
	Tamela Capital	4 776 709.4	4 952 219.0		2 700 936.6	12 429 864.9	
	Legacy Africa	188 464 576.3	6 425 585.7		11 560 086.8	206 450 248.8	
	Sampada Private Equity	188 372 280.4	23 345 507.1		24 361 471.2	236 079 258.7	
	Sampada Private Equity 2	239 575 809.7	33 032 133.8		32 526 900.7	305 134 844.2	
	Boxwood Property Fund	64 800 921.3	4 651 892.3		4 372 307.0	73 825 120.6	
	Summit Africa	25 418 729.6	15 965 682.4		10 740 362.0	52 124 774.0	
	Real Fund	7 610 712.1	1 227 187.3		1 110 382.2	10 086 517.6	
	Africa	Novare Africa Property Fund 1	277 039 774.2	53 804 721.5		54 729 008.4	385 573 504.1
		Novare Africa Property Fund 2	84 341 796.0	15 590 628.8		16 675 070.0	116 607 494.8
International	Novare Global Balanced	1 928 727 170.3	387 609 569.4	38 535 556.8	335 580 292.9	2 690 452 589.4	
	SALA Global Fund	704 989 882.9	141 680 714.8	14 084 962.4	122 619 965.5	983 375 525.6	
Total Fund		8 341 975 104.3	2 141 889 021.6	294 174 882.5	1 692 994 832.9	12 471 033 841.2	

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 is pointing to a document that features several charts and tables. The charts include pie charts and bar graphs, while the tables contain numerical data. The document appears to be a financial or investment report.

HEDGE FUND

A type of alternative asset class. Here the investment manager generally invests in traditional asset classes, but has more tools to express their view of the market. Hedge funds look to protect capital in times of market falls and offer diversification from traditional asset classes.

INDEX

A benchmark measure to gauge how an asset class has performed. For example, the JSE All Share index is a measure to gauge how South African equities have performed.

INFLATION

The increase (or decrease) in the price of goods. For example, if inflation over the year was 5%, this means that prices rose by 5% over the period.

INTERNATIONAL

The assets of a Fund that are invested outside of South Africa. Exposure is limited to 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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