

# UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 30 September 2021

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## Economic Commentary

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Global markets fell in September as the combination of slowing growth, less accommodative monetary policy, the continued spread of the Delta variant and fears of contagion from a potential default by China's second-largest property developer, Evergrande, shook investor sentiment.

In the US, the Federal Reserve stuck to its playbook by outlining that the start of tapering of asset purchases would be announced at its next meeting in November with the program expected to be concluded by mid-2022. While the Fed continued to separate tapering from interest rates, the expectation now is for the US to start raising rates late next year – earlier than the 2023 start expected just three months ago despite a softening in economic sentiment amid a surge in Delta infections. Inflation in the US is expected to remain high for somewhat longer than initially expected as supply chain disruptions continue to put pressure on prices amid robust consumer demand. Unemployment meanwhile is expected to dip below 4% next year, giving the Fed scope to raise rates into a relatively strong economy. Household savings have been shored up by generous COVID-19 relief packages and consumers are slowly putting that money to good use which will help support the US economy into 2022, barring further supply chain constraints.

In China, the potential default by the nation's second largest property developer, Evergrande, shook financial markets and combined with ever-increasing regulatory intervention to dent investor sentiment. The authorities relentless overall of various industries in an effort to align the private sector with the nation's social development objectives and achieve "common prosperity" has created severe uncertainty about the impact on economic growth and corporate profitability. Latest reports suggest some slowing in growth momentum with China's official purchasing manager's index falling below 50 points in September and steel production – a leading indicator of growth – falling 13% year-on-year in August.

Most global markets followed the US markets lower in September with the exception of Japan's Nikkei (up 5.5%) and China's Shanghai Composite (up 0.7%). The MSCI World Index fell 4.1% as weakness in the US filtered through to other developed markets and emerging markets were negatively affected by developments in China and generally weaker local currencies. The US' S&P 500 fell 4.7% after reaching all-time highs in August as technology and materials stocks retreated. The MSCI Emerging Markets Index fell 3.9% as weakness in commodity exporters was offset by relative strength in China. Global bonds fell 1.8% as yields rose after the US Federal Reserve members shifted their interest rate expectations while global property stocks fell 6.1% in the month as the sector followed equities lower and priced in earlier-than-expected interest rate hikes. Oil prices gained 7.6% in the month to close at \$78.52 per barrel as increased demand was met with tight supply.

In South Africa, inflation rose to 4.9% year-on-year in August as higher food and fuel prices offset lower medical aid increases. A weaker currency and high oil prices remain a risk to inflation and may have prompted the SARB's monetary policy committee to adopt a more hawkish tone. The MPC kept interest rates on hold on September but seemed to suggest that interest rates could rise sooner than expected despite many price increases being driven by external factors, not internal demand. SA's GDP meanwhile is expected to grow by 5.3% in 2021 but as the jump is partly due to the recalculation of the metric and base effects, it is not an indication of any sustained growth momentum. In fact, the SARB has revised growth expectation for 2022 and 2023 down to just 1.7% and 1.8% confirming that the local economy will continue to fall behind global peers in the post-COVID recovery.

Local markets followed global markets lower with the resources-heavy JSE All Share Index shedding 3.1% on the back of lower commodity prices. The Resources Index fell 9.3% as commodity prices plummeted on weaker growth expectations. Iron ore miner Kumba shed 24% while platinum miner Implats and gold miner Sibanye Stillwater shed 23% and 21% respectively. Diversified miners did not escape the negative sentiment with Anglo American and BHP Billiton losing 13% and 10% respectively. Industrials fell just 0.7% as the index was supported by strong gains from healthcare and telecommunications stocks while Prosus (down 5%) continued to be a drag on the sector. The financial sector gained 1.7% as banks benefited from reasonable valuations. The rand weakened 3.8% to R15.08 against the dollar as foreign investors sold local equities and bonds amid heightened risk aversion. The All Bond Index fell 2.1% as yields rose in line with global rates.



## Total Fund Information

R 4,434,687,316.02

Total Fund Market Value at 31 December 2020	3,945,973,643.62
Cash flow for current financial year	-34,158,588.07
Total Return current financial year net of fees	522,872,260.48
Total Current Portfolio Market Value	4,434,687,316.02

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
<b>Global Balanced</b>	<b>58,084,866</b>	-	-	-	<b>58,084,866</b>
Oasis Crescent Balanced Progressive FOF	58,084,866	-	-	-	58,084,866
<b>Passive Global Balanced</b>	-	-	<b>16,965,644</b>	<b>638,848,679</b>	<b>655,814,323</b>
Sygnia Passive Global Balanced Conservative	-	-	11,875,493	-	11,875,493
Sygnia Passive Global Balanced Growth	-	-	-	442,064,185	442,064,185
ETFSA Passive Global Balanced Conservative	-	-	5,090,151	-	5,090,151
ETFSA Passive Global Balanced Growth	-	-	-	196,784,494	196,784,494
<b>RSA Equity</b>	-	-	<b>21,628,697</b>	<b>1,488,553,645</b>	<b>1,510,182,342</b>
Abax Equity	-	-	4,788,139	301,575,002	306,363,140
Allan Gray Equity	-	-	5,994,259	455,598,579	461,592,838
Coronation Equity	-	-	5,638,585	434,941,558	440,580,143
ABSA ETF	-	-	5,207,714	296,438,506	301,646,220
<b>RSA Bonds</b>	-	-	<b>44,031,776</b>	<b>661,290,849</b>	<b>705,322,625</b>
Futuregrowth Yield Enhanced Special Bond Fund	-	-	19,354,088	334,674,093	354,028,181
Stanlib Bonds	-	-	24,677,688	326,616,756	351,294,444
<b>RSA Inflation Linked Bonds</b>	-	-	-	-	-
<b>RSA Property</b>	-	-	<b>3,925,079</b>	<b>147,272,098</b>	<b>151,197,177</b>
Sesfikile Property	-	-	2,787,398	115,297,905	118,085,303
Futuregrowth Community Property Fund	-	-	1,137,681	31,974,193	33,111,874
<b>RSA Cash</b>	-	<b>81,292,144</b>	<b>21,259,346</b>	<b>160,781,235</b>	<b>263,332,726</b>
SIM Cash Fund	-	81,292,144	21,259,346	160,781,235	263,332,726
Stanlib Money Market	-	-	-	-	-
<b>International Equity</b>	-	-	<b>21,634,768</b>	<b>1,013,133,357</b>	<b>1,034,768,125</b>
Baillie Gifford Worldwide Global Alpha Fund	-	-	10,195,034	616,783,679	626,978,713
Vulcan Value Equity Fund	-	-	3,592,305	217,328,885	220,921,190
Ninety One Global Franchise Fund	-	-	7,847,429	179,020,793	186,868,222
<b>African Assets</b>	-	-	-	<b>55,985,134</b>	<b>55,985,134</b>
All Seasons Africa Fund	-	-	-	51,811,927	51,811,927
Ninety One Africa Equity	-	-	-	4,173,207	4,173,207
<b>Total</b>	<b>58,084,866</b>	<b>81,292,144</b>	<b>129,445,309</b>	<b>4,165,864,996</b>	<b>4,434,687,316</b>



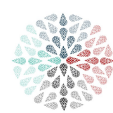
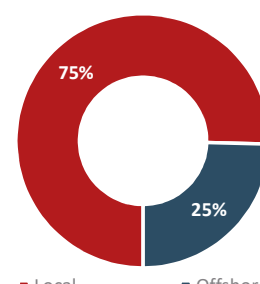
Manager and Product Information

R 4,434,687,316.02

Manager / Product	Market Value R'm	% of Portfolio	Since Inception	Product BM	Last 36 months	Product BM	Last 12 months	Product BM
<b>Global Balanced</b>					<b>R 58,084,866</b>	<b>1.3%</b>		
Oasis Crescent Balanced Progressive FOF	58.08	1.3%	8.4%	9.1%	14.7%	18.4%	14.7%	18.4%
<b>Passive Global Balanced</b>					<b>R 655,814,323</b>	<b>14.8%</b>		
Sygnia Passive Global Balanced Conservative	11.88	0.3%	9.8%	10.4%	17.5%	19.3%	17.5%	19.3%
Sygnia Passive Global Balanced Growth	442.06	10.0%	11.0%	11.5%	19.3%	21.1%	19.3%	21.1%
ETFSA Passive Global Balanced Conservative	5.09	0.1%	10.3%	10.4%	16.6%	19.3%	16.6%	19.3%
ETFSA Passive Global Balanced Growth	196.78	4.4%	11.0%	11.5%	16.8%	21.1%	16.8%	21.1%
<b>RSA Equity</b>					<b>R 1,510,182,342</b>	<b>34.1%</b>		
Abax Equity	306.36	6.9%	7.0%	11.1%	24.0%	28.5%	24.0%	28.5%
Allan Gray Equity	461.59	10.4%	8.3%	11.1%	34.7%	28.5%	34.7%	28.5%
Coronation Equity	440.58	9.9%	17.3%	11.1%	36.7%	28.5%	36.7%	28.5%
ABSA ETF	301.65	6.8%	4.6%	11.1%	29.0%	28.5%	29.0%	28.5%
<b>RSA Bonds</b>					<b>R 705,322,625</b>	<b>15.9%</b>		
Futuregrowth Yield Enhanced Special Bond Fund	354.03	8.0%	9.1%	8.5%	15.3%	12.5%	15.3%	12.5%
Stanlib Bonds	351.29	7.9%	6.9%	6.8%	13.0%	12.5%	13.0%	12.5%
<b>RSA Inflation Linked Bonds</b>					<b>R 0</b>	<b>0.0%</b>		
<b>RSA Property</b>					<b>R 151,197,177</b>	<b>3.4%</b>		
Sesfikile Property	118.09	2.7%	-6.8%	-10.0%	51.7%	54.4%	51.7%	54.4%
Futuregrowth Community Property Fund	33.11	0.7%	7.5%	-10.0%	9.2%	54.4%	9.2%	54.4%
<b>RSA Cash</b>					<b>R 263,332,726</b>	<b>5.9%</b>		
SIM Cash Fund	263.33	5.9%	5.5%	4.9%	4.2%	3.8%	4.2%	3.8%
Stanlib Money Market	-	0.0%	2.6%	4.9%	0.0%	3.8%	0.0%	3.8%
<b>International Equity</b>					<b>R 1,034,768,125</b>	<b>23.3%</b>		
Baillie Gifford Worldwide Global Alpha Fund	626.98	14.1%	27.6%	16.7%	14.5%	14.3%	14.5%	14.3%
Vulcan Value Equity Fund	220.92	5.0%	33.6%	14.3%	n/a	n/a	n/a	n/a
Ninety One Global Franchise Fund	186.87	4.2%	20.4%	21.7%	n/a	n/a	n/a	n/a
<b>African Assets</b>					<b>R 55,985,134</b>	<b>1.3%</b>		
All Seasons Africa Fund	51.81	1.2%	2.6%	6.4%	10.4%	9.3%	10.4%	9.3%
Ninety One Africa Equity	4.17	0.1%	2.8%	6.4%	14.7%	9.3%	14.7%	9.3%



- Global Balanced
- Passive Global Balanced
- RSA Equity
- RSA Bonds
- RSA Inflation Linked Bonds
- RSA Property
- RSA Cash
- International Equity
- African Assets



**Growth Product - Summary**

R

4,165,864,996.44

**Investment Objective**

To achieve inflation beating returns over the medium to long term, however an overly cautious approach would result in lowered returns over the long term

Total Portfolio Market Value at 31 December 2020

R'm

3,678.4

Cash flow for current financial year

-14.0

Total Return current financial year net of fees

501.4

Total Current Portfolio Market Value

4,165.9

**Return Objective**

To achieve a return of Inflation + 4.5% p.a. (gross of fees and taxes) over 3-year to 5-year periods.

Financial year return - net of asset management fees

Return %

13.97%

CPI + 4.5%

7.92%

**Risk Objective**

Percentage positive monthly returns since inception\*

Return %

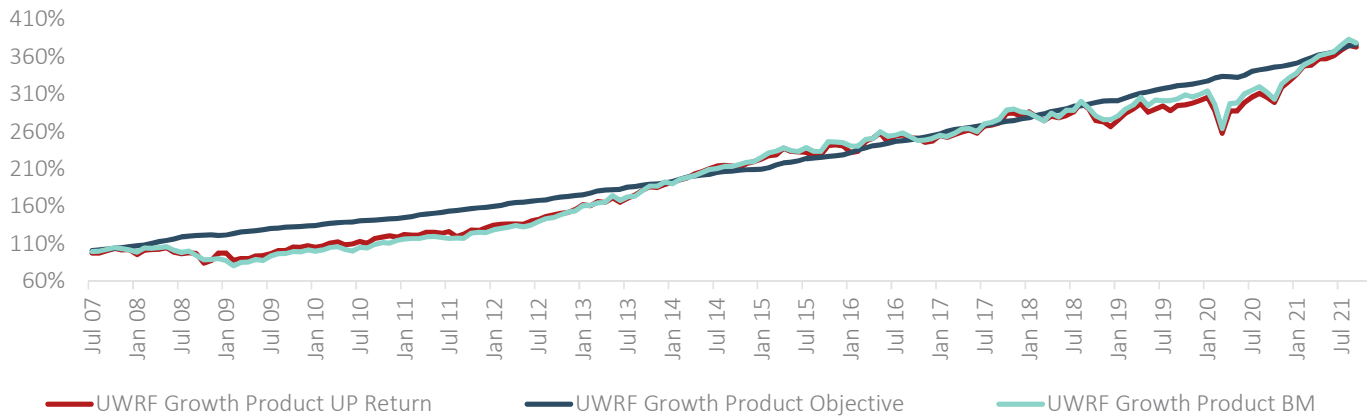
69%

Percentage positive monthly returns last 5 years

68%

\*July 2007

**Performance (net of fees)**

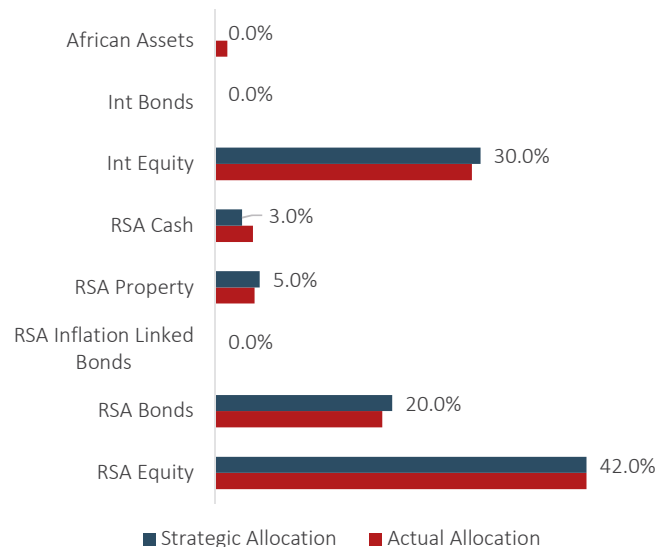


**Returns - Various Periods**

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.75%	9.82%	9.86%
Last 10 years	11.72%	9.22%	12.42%
Last 5 years	8.20%	8.63%	8.37%
Last 3 years	8.64%	8.28%	9.13%
1 year	22.07%	9.45%	21.11%
Ytd	13.97%	7.92%	14.11%
Last 3 months	3.24%	2.78%	3.31%
Last month	-0.54%	0.53%	-1.25%

\*July 2007

**Look-through Asset Allocation**



Conservative Product - Summary

R

129,445,309.49

Investment Objective

To target stable returns over a medium-term investment horizon with low volatility and a low probability of negative returns.

	R'm
Total Portfolio Market Value at 31 December 2020	124.2
Cash flow for current financial year	-6.9
Total Return current financial year net of fees	12.1
Total Current Portfolio Market Value	129.4

Return Objective

To achieve a return of CPI + 3.0% pa (gross of fees and taxes) over 3-year to 5-year periods.

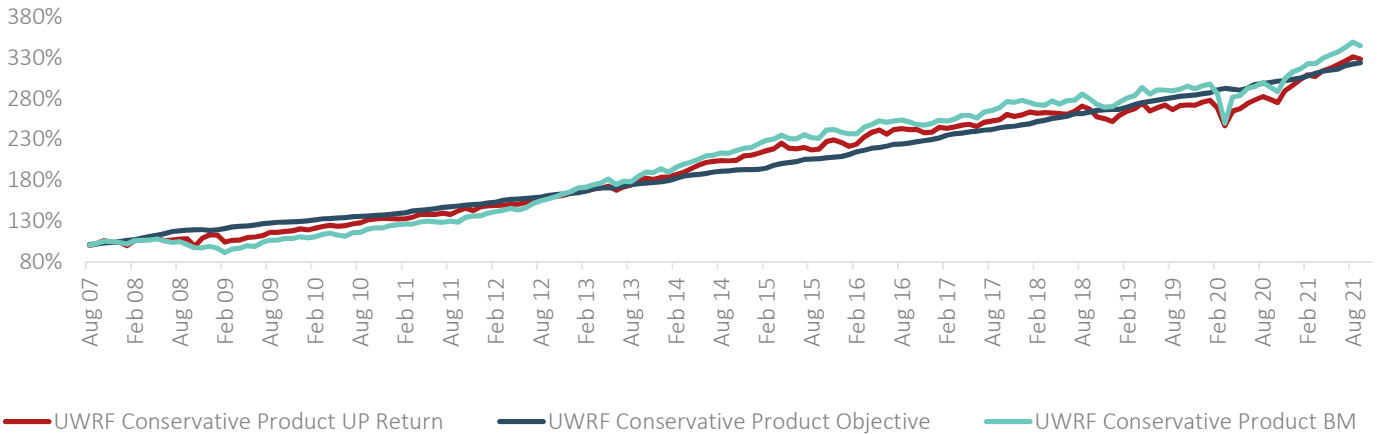
	Return %
Financial year return - net of asset management fees	10.74%
CPI + 3.0%	6.76%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	74%
Percentage positive monthly returns last 5 years	65%

\*August 2007

Performance (net of fees)

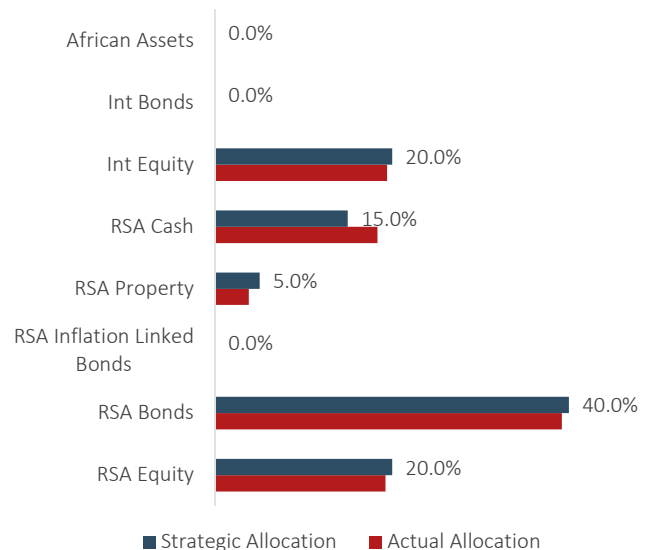


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.81%	8.70%	9.19%
Last 10 years	8.73%	8.14%	10.36%
Last 5 years	6.31%	7.51%	6.52%
Last 3 years	7.13%	7.11%	7.21%
1 year	17.70%	8.01%	17.19%
YtD	10.74%	6.76%	10.24%
Last 3 months	2.17%	2.41%	2.27%
Last month	-0.84%	0.41%	-1.25%

\*August 2007

Look-through Asset Allocation



Capital Protection - Summary

R

81,292,144.42

Investment Objective

To provide members with a Cash Option designed to protect the capital value of their investment with zero volatility.

	R'm
Total Portfolio Market Value at 31 December 2020	94.1
Cash flow for current financial year	-15.7
Total Return current financial year net of fees	2.9
Total Current Portfolio Market Value	81.3

Return Objective

To achieve a return of Inflation + 1.0% p.a. (gross of fees and taxes) over 3-year to 5-year periods.

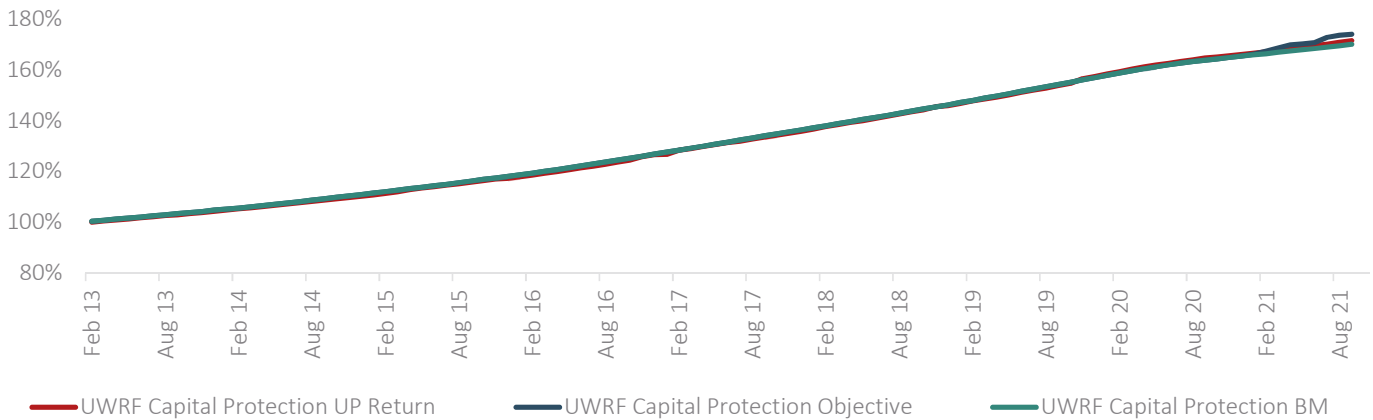
	Return %
Financial year return - net of asset management fees	3.31%
CPI + 1.0%	5.21%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	100%
Percentage positive monthly returns last 5 years	100%

\*February 2013

Performance (net of fees)

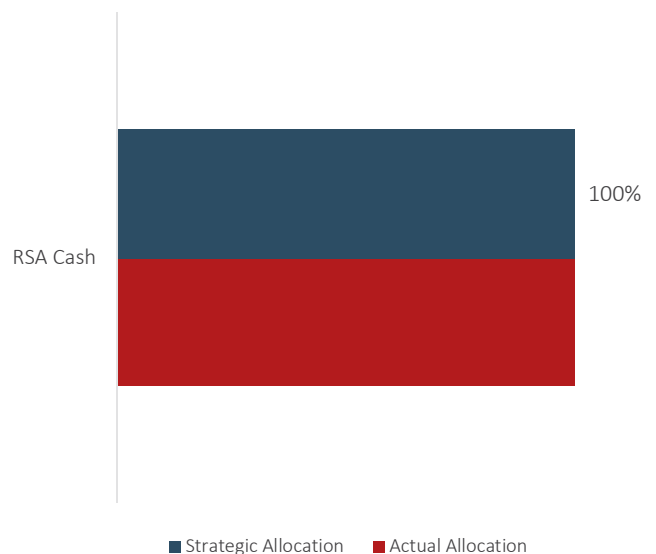


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.42%	6.60%	6.32%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.75%	6.93%	6.43%
Last 3 years	6.14%	6.59%	5.77%
1 year	4.17%	6.23%	3.80%
YtD	3.31%	5.21%	2.80%
Last 3 months	1.14%	1.91%	0.95%
Last month	0.35%	0.25%	0.31%

\*February 2013

Asset Allocation





Shari'ah Product - Summary

R

58,084,865.67

Investment Objective

This portfolio is suitable for Muslim investors requiring a Sharia-compliant investment portfolio. The portfolio will be invested in a variety of domestic and international asset classes. The underlying investments will comply with Shari'ah requirements as prescribed by the Auditing Organisation for Islamic Financial Institutions. The portfolio targets capital growth over the long-term.

	R'm
Total Portfolio Market Value at 31 December 2020	49.3
Cash flow for current financial year	2.4
Total Return current financial year net of fees	6.5
Total Current Portfolio Market Value	58.1

Return Objective

To achieve a return of Inflation + 3.0% p.a. (gross of fees and taxes) over 3-year to 5-year periods.

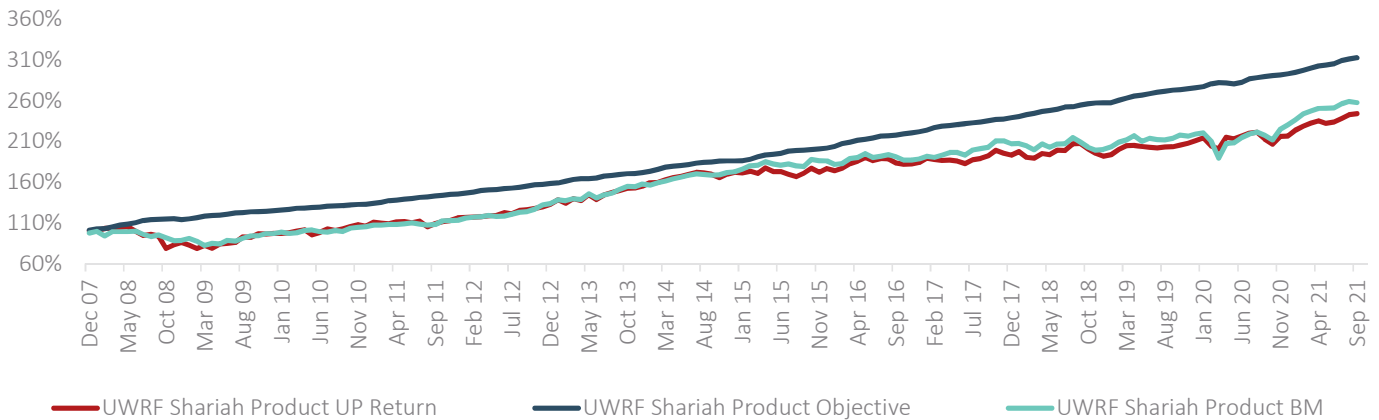
	Return %
Financial year return - net of asset management fees	12.82%
CPI + 3.0%	6.76%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	63%
Percentage positive monthly returns last 5 years	62%

\*December 2007

Performance (net of fees)

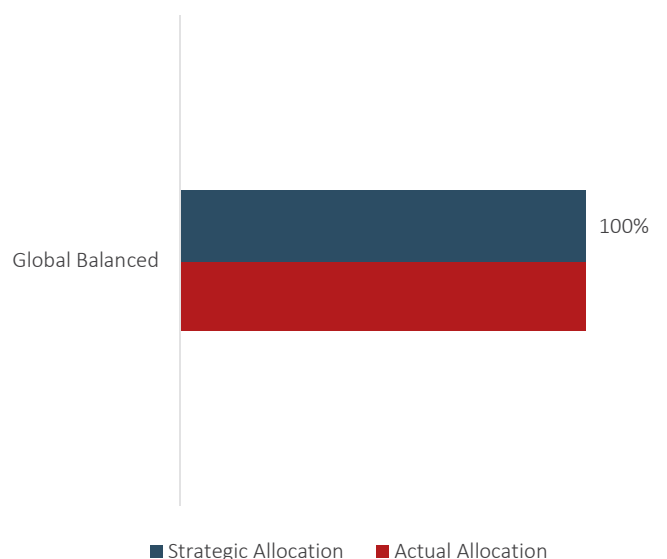


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.70%	8.64%	7.11%
Last 10 years	8.39%	9.22%	9.07%
Last 5 years	5.88%	7.51%	6.12%
Last 3 years	5.58%	7.11%	7.19%
1 year	14.67%	8.01%	18.41%
YtD	12.82%	6.76%	11.84%
Last 3 months	4.35%	2.41%	2.45%
Last month	0.47%	0.41%	-0.62%

\*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

