

UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 30 April 2022

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Economic Commentary

April was a brutal month for stocks as a bevy of headwinds including high inflation, continued supply chain challenges, labour shortages in the US, the war in Ukraine and lockdowns in China dragged down stock prices around the world.

The U.S. economy shrank 1.4% in Q1 and faces threats from high inflation and rising interest rates. The decline in domestic economic activity was driven by a surge in imports as Americans spent heavily on foreign-made goods, while exports slowed as growth slowed across the Atlantic. An aggressive building of inventories going into last year's holiday season also contributed to the weak first quarter. However, rising wages supported consumer spending and the unemployment rate remains near a 50-year low. Economists consider these trends a better gauge of the economy's strength and based thereon expect a return to growth for the rest of 2022. Higher costs however remain the biggest threat as the latest reading of inflation showed prices rose 8.5% from a year earlier. This prompted the Federal Reserve to signal a more rapid series of (bigger) interest rate hikes. The Fed Chairman is hoping that the underlying strength in the economy will allow him to raise rates sufficiently to tame inflation without causing a recession.

China's zero-COVID policy is facing its toughest challenge yet as Shanghai enters its fourth week of lockdown. First-quarter economic growth beat expectations, coming in at 4.8% year-on-year liquidity injections in December and interest rate cuts in January helped to bolster economic growth. Policy makers in China have continued to prioritise factory activity, with some workers being required to live and work in their factories to avoid becoming infected. However, the impact on supply chains is starting to be felt with exports from the port of Shanghai, the world's largest seaport for trade, down 20-40% in April.

Global equity markets sold off sharply in April as investors adjusted expectations around the Federal Reserve and the prospect of a series of outsized rate increases and an aggressive wind-down of the central bank's balance sheet as it attempts to rein in rampant inflation. The MSCI World Index dropped 8.3% in the month while emerging markets shed 5.5% as investors sold risk assets across the globe. The US' S&P 500 dropped 8.8% for its worst monthly performance since March 2020, while the NASDAQ fell 13.3% for its worst performance since the Global Financial Crisis as investors mutedly cheered earnings beats while severely punishing those companies that missed earnings. Overall, earnings growth is slowing with S&P firms expected to deliver on aggregate earnings growth of 7.1% year-on-year. But it is not the current growth number that has investors on edge but rather the disappointing guidance from large technology companies as earnings are expected to take a knock from high energy prices, high wages, and continued supply chain issues while the US Fed is raising interest rates and the economy is slowing (albeit from a fast pace last year). Global bonds posted their worst ever month as the yield on the US 10-year bond approached 3% and heightened risk aversion caused credit spreads to rise. The Barclays Global Aggregate Index shed 5.5% in the month to bring year-to-date returns of -11.3% broadly in line with that of equities (-12.8%). Global property stocks declined 5.6% in the month in line with increased risk aversion.

In South Africa, inflation quickened to 5.9% in March as increases in the price of transport, housing and utilities, and food were the main contributors. After a spending spree in January, consumers appeared to moderate their consumption in February with retail sales declining 0.5% on a monthly basis and 0.9% on an annual basis. Muted demand is no surprise in an economy with an unemployment rate of over 35%, interest rates that are rising and the increasing cost of necessities. The auto sector appears to be holding up well with robust vehicle sales to start the year, but manufacturing activity grew by a meagre 0.2% year-on-year. Inflation close to the upper band of the SARB's target may prompt the central bank to step up the pace and magnitude of interest rate hikes in what will likely be a further blow to already low consumer confidence.

The All Share Index and the Capped SWIX Index both ended the month down 4% as the weaker rand buffered the local market from the extreme price moves globally. Large losses in banks, down 7%, propelled the Financials Index 5% lower, while Industrials declined just 1.7% as the sector benefited from defensive rand-hedge stocks like British American Tobacco (up 8%) and Anheuser Busch (up 4%). Resources stocks declined 4.8% as commodity prices cooled on fears of a slowdown in China. The rand breached R16 to the dollar before settling at R15.81 at month end as investors assessed the impact of the floods in Kwazulu-Natal and the increased incidences of loadshedding on economic activity. The All Bond Index declined 1.7% as yields on longer dated bonds rose while the 10-year bond breached 10% at month end. Listed property stocks shed 1.4% in the month as expectations were adjusted for higher interest rates.



Total Fund Information

R 4,357,339,967.84

Total Fund Market Value at 31 December 2021	4,785,139,919.01
Cash flow for current financial year	-199,614,339.01
Total Return current financial year net of fees	-228,185,612.16
Total Current Portfolio Market Value	4,357,339,967.84

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
Global Balanced	62,858,429	-	-	-	62,858,429
Oasis Crescent Balanced Progressive FOF	62,858,429	-	-	-	62,858,429
Passive Global Balanced	-	-	17,583,306	672,058,312	689,641,618
Sygnia Passive Global Balanced Conservative	-	-	12,299,814	-	12,299,814
Sygnia Passive Global Balanced Growth	-	-	-	462,729,032	462,729,032
ETFSA Passive Global Balanced Conservative	-	-	5,283,492	-	5,283,492
ETFSA Passive Global Balanced Growth	-	-	-	209,329,280	209,329,280
RSA Equity	-	-	23,923,678	1,647,465,195	1,671,388,873
Abax Equity	-	-	5,440,033	342,633,760	348,073,793
Allan Gray Equity	-	-	6,797,786	516,671,333	523,469,119
Coronation Equity	-	-	6,083,325	469,247,361	475,330,686
ABSA ETF	-	-	5,602,533	318,912,742	324,515,275
RSA Bonds	-	-	45,777,098	687,442,180	733,219,278
Futuregrowth Yield Enhanced Special Bond Fund	-	-	20,106,262	347,680,802	367,787,064
Stanlib Bonds	-	-	25,670,836	339,761,378	365,432,213
RSA Inflation Linked Bonds	-	-	-	-	-
RSA Property	-	-	4,139,705	155,461,483	159,601,187
Sesfikile Property	-	-	2,950,106	122,028,154	124,978,260
Futuregrowth Community Property Fund	-	-	1,189,599	33,433,328	34,622,927
RSA Cash	-	44,890,369	22,785,713	52,905,898	120,581,980
SIM Cash Fund	-	44,890,369	22,785,713	52,905,898	120,581,980
Stanlib Money Market	-	-	-	-	-
International Equity	-	-	18,837,712	847,270,396	866,108,108
Baillie Gifford Worldwide Global Alpha Fund	-	-	8,320,645	503,386,084	511,706,729
Vulcan Value Equity Fund	-	-	2,758,652	166,894,181	169,652,834
Ninety One Global Franchise Fund	-	-	7,758,415	176,990,131	184,748,546
African Assets	-	-	-	53,940,494	53,940,494
All Seasons Africa Fund	-	-	-	52,007,826	52,007,826
Ninety One Africa Equity	-	-	-	1,932,668	1,932,668
Total	62,858,429	44,890,369	133,047,211	4,116,543,958	4,357,339,968



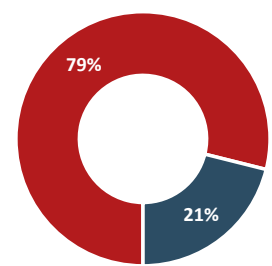
Manager and Product Information

R 4,357,339,967.84

Manager / Product	Market Value R'm	% of Portfolio	Since Inception	Product BM	Last 36 months	Product BM	Last 12 months	Product BM
Global Balanced			R 62,858,429				1.4%	
Oasis Crescent Balanced Progressive FOF	62.86	1.4%	8.6%	8.9%	n/a	n/a	9.3%	7.7%
Passive Global Balanced			R 689,641,618				15.8%	
Sygnia Passive Global Balanced Conservative	12.30	0.3%	8.9%	9.9%	n/a	n/a	7.7%	9.6%
Sygnia Passive Global Balanced Growth	462.73	10.6%	10.3%	10.8%	n/a	n/a	8.4%	9.8%
ETFSA Passive Global Balanced Conservative	5.28	0.1%	9.4%	9.9%	n/a	n/a	7.3%	9.6%
ETFSA Passive Global Balanced Growth	209.33	4.8%	11.1%	10.8%	n/a	n/a	8.8%	9.8%
RSA Equity			R 1,671,388,873				38.4%	
Abax Equity	348.07	8.0%	10.9%	13.2%	n/a	n/a	16.5%	14.7%
Allan Gray Equity	523.47	12.0%	11.8%	13.2%	n/a	n/a	19.5%	14.7%
Coronation Equity	475.33	10.9%	16.5%	13.2%	n/a	n/a	12.1%	14.7%
ABSA ETF	324.52	7.4%	6.6%	13.2%	n/a	n/a	16.1%	14.7%
RSA Bonds			R 733,219,278				16.8%	
Futuregrowth Yield Enhanced Special Bond Fund	367.79	8.4%	8.5%	7.7%	n/a	n/a	10.3%	8.4%
Stanlib Bonds	365.43	8.4%	6.9%	6.4%	n/a	n/a	9.1%	8.4%
RSA Inflation Linked Bonds			R 0				0.0%	
RSA Property			R 159,601,187				3.7%	
Sesfikile Property	124.98	2.9%	-3.1%	-5.8%	n/a	n/a	13.0%	12.2%
Futuregrowth Community Property Fund	34.62	0.8%	7.6%	-5.8%	n/a	n/a	9.0%	12.2%
RSA Cash			R 120,581,980				2.8%	
SIM Cash Fund	120.58	2.8%	5.3%	4.7%	n/a	n/a	4.6%	4.0%
International Equity			R 866,108,108				19.9%	
Baillie Gifford Worldwide Global Alpha Fund	511.71	11.7%	11.1%	11.4%	n/a	n/a	-16.2%	3.8%
Vulcan Value Equity Fund	169.65	3.9%	1.7%	7.5%	n/a	n/a	-18.1%	3.8%
Ninety One Global Franchise Fund	184.75	4.2%	12.3%	12.1%	n/a	n/a	4.2%	3.8%
African Assets			R 53,940,494				1.2%	
All Seasons Africa Fund	52.01	1.2%	2.1%	4.5%	n/a	n/a	9.7%	9.3%
Ninety One Africa Equity	1.93	0.0%	-24.9%	4.5%	n/a	n/a	-46.6%	9.3%



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



- Local
- Offshore



Growth Product - Summary

R

4,116,543,957.95

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 2021

R'm

4,499.0

Cash flow for current financial year

-159.5

Total Return current financial year net of fees

-222.9

Total Current Portfolio Market Value

4,116.5

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 %

-5.06%

CPI + 4.5%

3.80%

Risk Objective

Percentage positive monthly returns since inception*

Return %

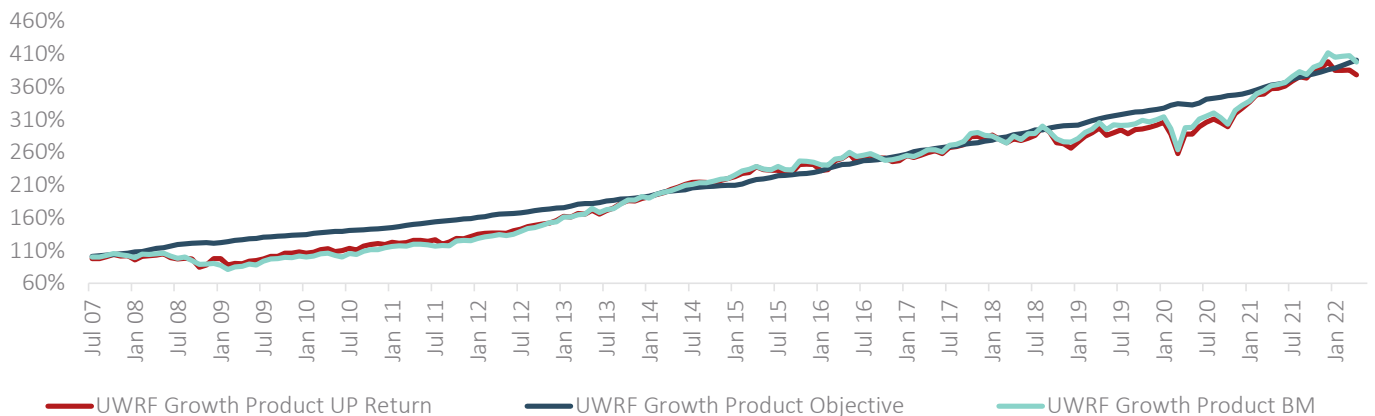
69%

Percentage positive monthly returns last 5 years

70%

*July 2007

Performance (net of fees)

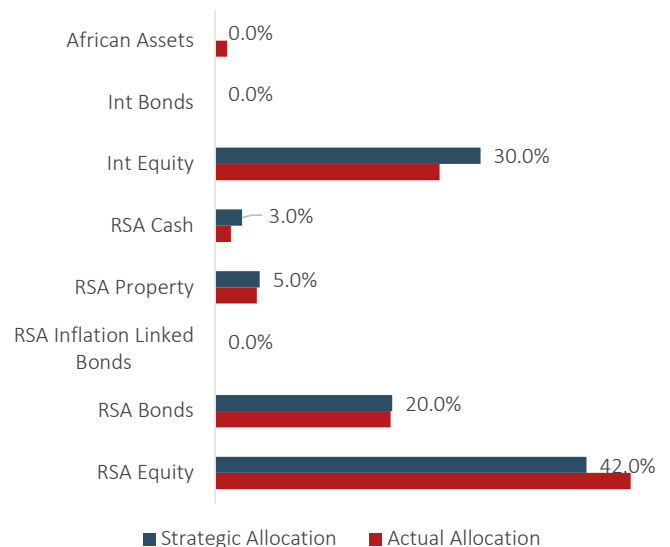


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.44%	9.88%	9.82%
Last 10 years	10.69%	9.25%	11.44%
Last 5 years	7.82%	8.72%	8.57%
Last 3 years	8.37%	8.79%	9.18%
1 year	5.93%	10.53%	10.04%
Ytd	-5.06%	3.80%	-3.38%
Last 3 months	-1.75%	3.22%	-1.85%
Last month	-1.79%	0.96%	-2.31%

*July 2007

Look-through Asset Allocation



Conservative Product - Summary

R

133,047,211.29

Investment Objective

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

Total Portfolio Market Value at 31 December 2021	R'm	138.7
Cash flow for current financial year		-1.8
Total Return current financial year net of fees		-3.9
Total Current Portfolio Market Value		133.0

Return Objective

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

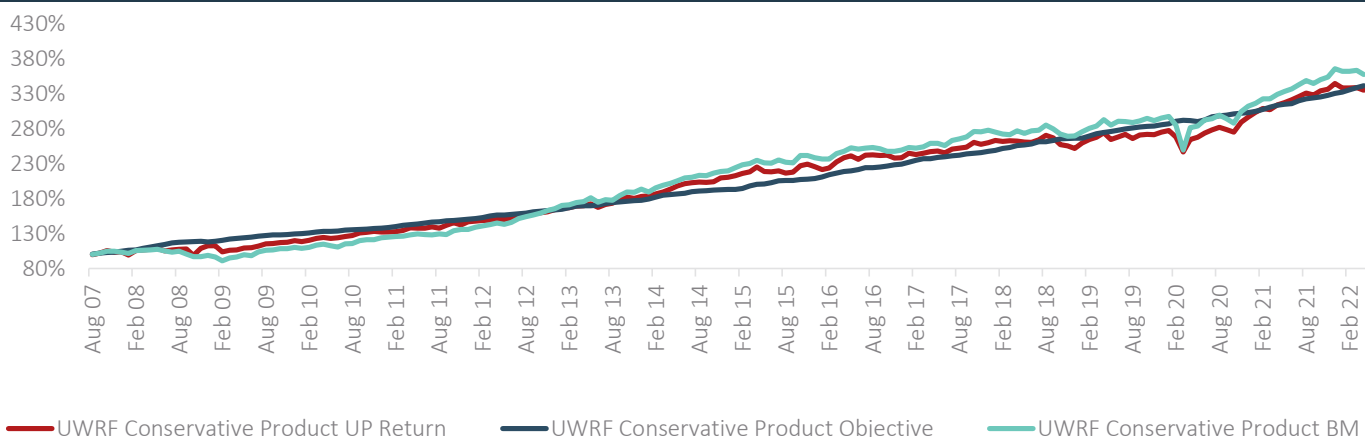
Financial year return - net of asset management fees	Return %	-2.84%
CPI + 3.0%		3.31%

Risk Objective

Percentage positive monthly returns since inception*	Return %	73%
Percentage positive monthly returns last 5 years		65%

*August 2007

Performance (net of fees)

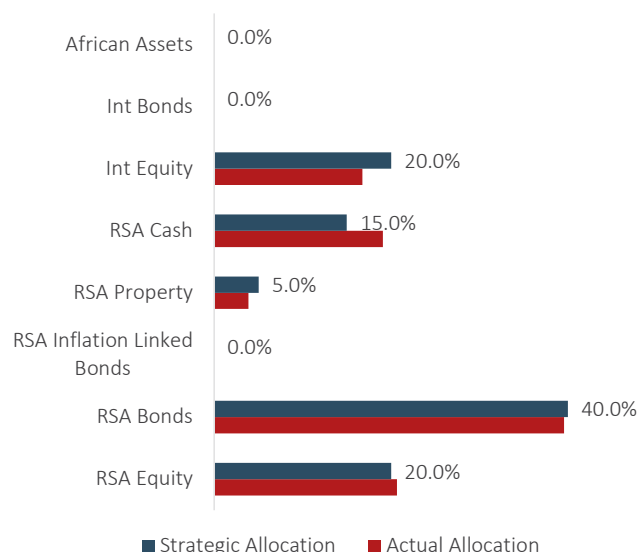


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.60%	8.74%	9.08%
Last 10 years	8.36%	8.14%	9.44%
Last 5 years	6.28%	7.54%	6.64%
Last 3 years	6.90%	7.52%	6.83%
1 year	6.68%	8.95%	8.53%
YtD	-2.84%	3.31%	-2.28%
Last 3 months	-0.89%	2.85%	-1.29%
Last month	-1.12%	0.84%	-1.65%

*August 2007

Look-through Asset Allocation



Capital Protection - Summary

R

44,890,369.16

Investment Objective

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

Total Portfolio Market Value at 31 December 2021	R'm	82.9
Cash flow for current financial year		-38.8
Total Return current financial year net of fees		0.8
Total Current Portfolio Market Value		44.9

Return Objective

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

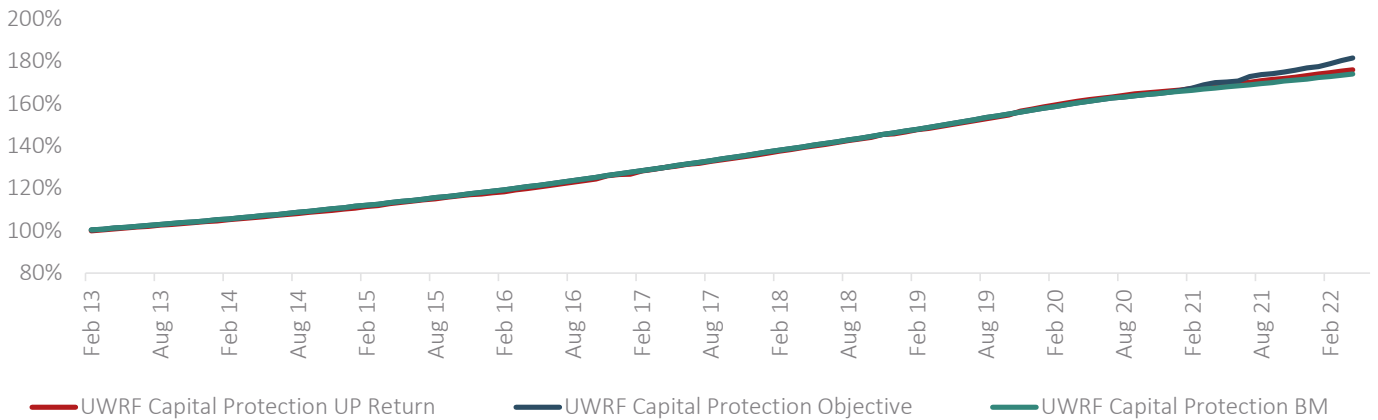
Financial year return - net of asset management fees	Return %	1.60%
CPI + 1.0%		2.64%

Risk Objective

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

*February 2013

Performance (net of fees)

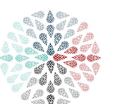
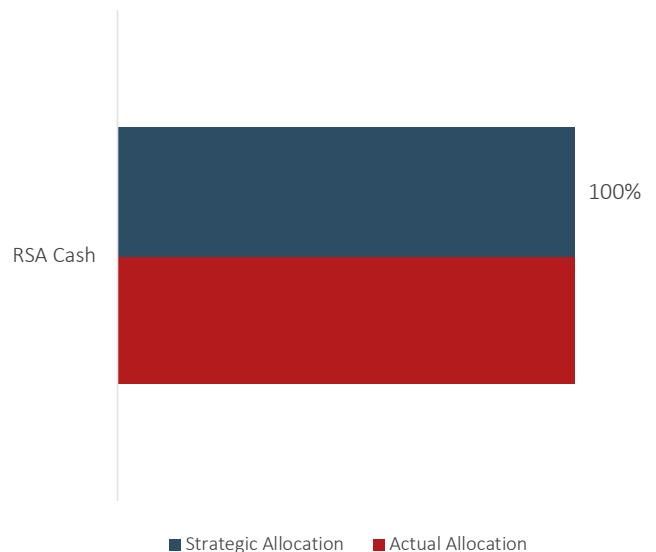


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.30%	6.66%	6.18%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.27%	6.93%	6.02%
Last 3 years	5.63%	6.65%	5.15%
1 year	4.57%	6.84%	4.00%
YtD	1.60%	2.64%	1.38%
Last 3 months	1.12%	2.35%	1.04%
Last month	0.39%	0.67%	0.35%

*February 2013

Asset Allocation



Shariah Product - Summary

R

62,858,429.44

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 2021	64.5
Cash flow for current financial year	0.5
Total Return current financial year net of fees	-2.2
Total Current Portfolio Market Value	62.9

Return Objective

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

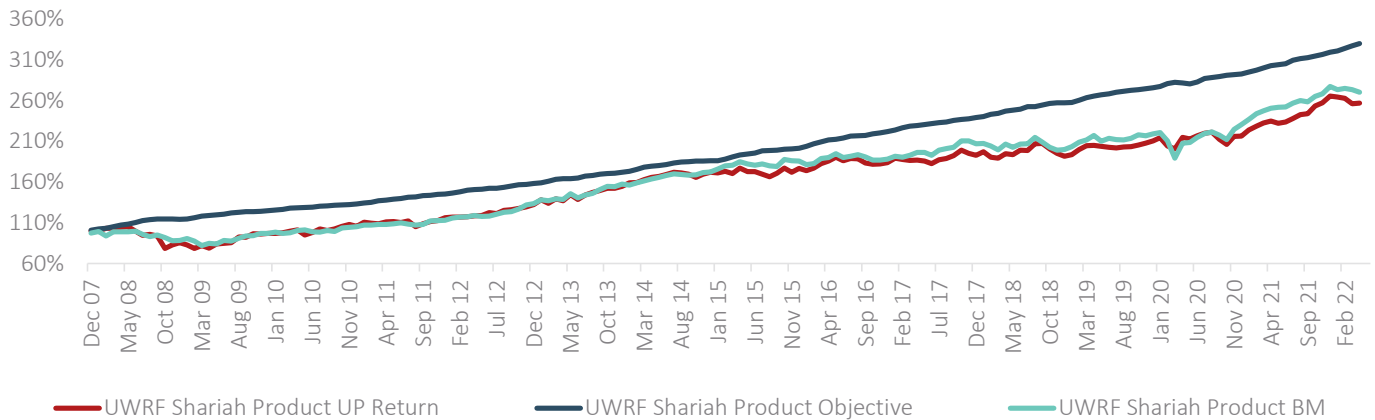
	Return %
Financial year return - net of asset management fees	-3.30%
CPI + 3.0%	3.31%

Risk Objective

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

*December 2007

Performance (net of fees)

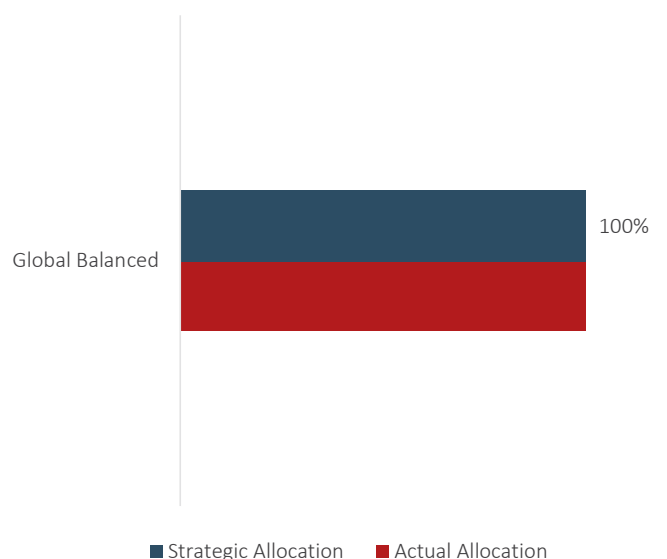


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.80%	8.68%	7.18%
Last 10 years	8.05%	9.25%	8.56%
Last 5 years	6.54%	7.54%	6.57%
Last 3 years	7.79%	7.52%	7.56%
1 year	9.29%	8.95%	7.66%
YtD	-3.30%	3.31%	-2.58%
Last 3 months	-2.86%	2.85%	-1.22%
Last month	0.28%	0.84%	-1.23%

*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

