UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 31 December 2022

mosaic
INVESTMENT CONSULTING

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Economic Commentary

Global equity markets ended the year giving back half of November's gains as recession fears coupled with a surge in COVID cases in China put investors on edge.

The US Fed again took centre stage as inflation moderated to 7.1% in November, down from 7.7% in October, as falling energy prices and prices of used vehicles offset the continued rise in shelter costs. While the trend in inflation appears downward, the Fed has reiterated that an important component in determining future monetary policy is the stickier services inflation which was unchanged in November but has risen 7.3% for the year. The closely watched payrolls and wages data also came in stronger than expected, but retail sales fell 0.6% in November suggesting that, while wages continue to rise, recent interest rate hikes have started to hurt consumption, which accounts for more than two-thirds of US economic activity. Housing activity – a large contributor to US growth – also slowed as higher mortgage rates impact affordability. Home sales declined 7.7% year-on-year in November resulting in inventory surging 63% over the same period. The Fed however raised interest rates by 0.5% in December and officials have indicated interest rates will remain high through 2023.

Global investors fretted over the state of the global economy and the possibility of recession even as emerging market sentiment shifted upon China's relaxation of COVID controls. Unfortunately, the relaxation of restrictions has led to a surge in COVID infections which could impact productivity and result in further supply chain disruptions. The MSCI World Index ended the month down 4.3% (up 9.7% for the quarter but down 18.2% for the year) driven by losses in US technology-related stocks. The US lagged global markets with the S&P500 falling 5.8% and the NASDAQ losing 9% (down 18% and 32% respectively for the year) as consumer discretionary and communication services stocks were punished on expectations that higher interest rates for longer would negatively impact profitability. Emerging markets declined just 1.4% (up 9.8% for the quarter but down 19.7% for the year), driven by gains of 6.4% in the Hang Seng Index as investor sentiment towards Chinese stocks turned positive after a difficult year. Global bonds gained 0.5% in the month as yields declined in the month on recession fears. The annual return of -16.3% for global bonds is the worst ever recorded as global central banks hiked interest rates at the fastest pace ever to combat runaway inflation. Global property stocks declined 2.8% in the month as real estate investors priced in higher interest rates for 2023. The asset class declined 25.8% in 2022.

In South Africa, inflation slowed to a higher-than-expected 7.4% in November with price rises in food, transportation and hotels and restaurants driving the headline number. Retail sales continued to decline (down 0.6% year-on-year in October) as the cost of living continued to escalate on the back of high interest rates and surging fuel prices. A sharp drop in fuel prices in January should provide some relief to consumers who appear to be relying much on credit to get through the festive season. Economic activity surprisingly expanded in the third quarter with gains of 1.6% attributed to increased activity across agriculture, finance, transport and manufacturing. The demand side of the economic was lifted by a rise in exports and government consumption. The size of the economy now exceeds pre-pandemic levels.

The local equity market followed global markets lower but gains in Naspers and Prosus buffered losses. The All Share Index declined 2.3% in December (+15.2% for the quarter and +3.6% for the year) as gains of 7% in Naspers and Prosus partly offset losses of 3.5% in resources stocks and 5.2% in financials shares. The rand strengthened 1% against the dollar to settle at R17 at month end as sentiment towards emerging markets improved and the dollar weakened. The local currency depreciated by 6.8% for the year. The All Bond Index gained 0.6% in the month as yields on longer dated bonds ended the month at 10.2%. With yields rising through the year, the All Bond index gained just 4.3% in 2022. Listed property stocks gained 1.1% as investors enjoyed the high yields on offer. The sector gained just 0.5% for the year.

University of the Witwatersrand Retirement Fund — 31 December 2022

Total Fund Information — R 4,597,039,088.70

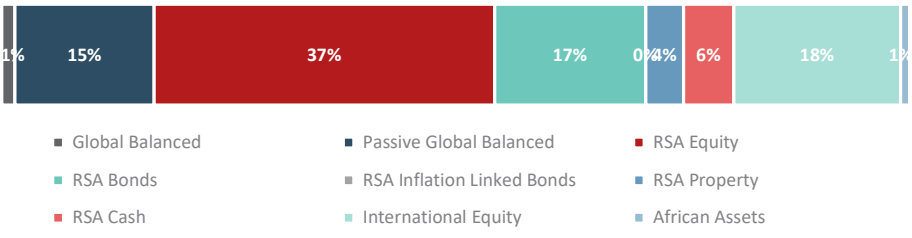
Total Fund Market Value at 31 December 2021	4,785,139,919.01
Cash flow for current financial year	-40,695,736.14
Total Return current financial year net of fees	-147,405,094.17
Total Current Portfolio Market Value	4,597,039,088.70

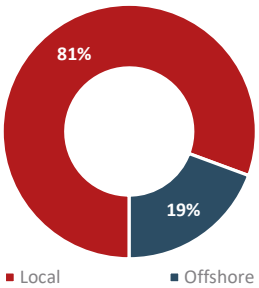
	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
Global Balanced	**67,762,648**	**-**	**-**	**-**	**67,762,648**
Oasis Crescent Balanced Progressive FOF	67,762,648	-	-	-	67,762,648
Passive Global Balanced	**-**	**-**	**18,097,064**	**686,929,990**	**705,027,054**
Sygnia Passive Global Balanced Conservative	-	-	12,635,890	-	12,635,890
Sygnia Passive Global Balanced Growth	-	-	-	471,780,687	471,780,687
ETFSA Passive Global Balanced Conservative	-	-	5,461,174	-	5,461,174
ETFSA Passive Global Balanced Growth	-	-	-	215,149,303	215,149,303
RSA Equity	**-**	**-**	**24,621,651**	**1,698,133,306**	**1,722,754,958**
Abax Equity	-	-	5,538,338	348,825,351	354,363,689
Allan Gray Equity	-	-	7,137,089	542,460,315	549,597,405
Coronation Equity	-	-	6,274,617	484,002,980	490,277,597
ABSA ETF	-	-	5,671,607	322,844,660	328,516,267
RSA Bonds	**-**	**-**	**47,760,622**	**717,872,916**	**765,633,538**
Futuregrowth Yield Enhanced Special Bond Fund	-	-	21,136,167	365,490,087	386,626,254
Stanlib Bonds	-	-	26,624,456	352,382,829	379,007,285
RSA Inflation Linked Bonds	**-**	**-**	**-**	**-**	**-**
RSA Property	**-**	**-**	**5,262,812**	**186,536,889**	**191,799,701**
Sesfikile Property	-	-	2,961,886	122,515,423	125,477,308
Futuregrowth Community Property Fund	-	-	2,300,926	64,021,467	66,322,392
RSA Cash	**-**	**44,259,304**	**45,596,563**	**164,322,072**	**254,177,939**
SIM Cash Fund	-	44,259,304	45,596,563	164,322,072	254,177,939
Stanlib Money Market	-	-	-	-	-
International Equity	**-**	**-**	**18,495,505**	**825,143,305**	**843,638,810**
Baillie Gifford Worldwide Global Alpha Fund	-	-	8,196,424	495,870,906	504,067,330
Vulcan Value Equity Fund	-	-	2,502,878	151,420,203	153,923,081
Ninety One Global Franchise Fund	-	-	7,796,204	177,852,195	185,648,399
African Assets	**-**	**-**	**-**	**46,244,441**	**46,244,441**
All Seasons Africa Fund	-	-	-	45,018,201	45,018,201
Ninety One Africa Equity	-	-	-	1,226,240	1,226,240
Total	**67,762,648**	**44,259,304**	**159,834,217**	**4,325,182,919**	**4,597,039,089**

University of the Witwatersrand Retirement Fund — 31 December 2022

Manager and Product Information — R 4,597,039,088.70

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 67,762,648**		**1.5%**	
Oasis Crescent Balanced Progressive FOF	67.76	1.5%	7.1%	*7.6%*	7.2%	*7.8%*	-2.3%	*-0.9%*
Passive Global Balanced					**R 705,027,054**		**15.3%**	
Sygnia Passive Global Balanced Conservative	12.64	0.3%	7.9%	*8.4%*	7.9%	*8.5%*	0.4%	*0.4%*
Sygnia Passive Global Balanced Growth	471.78	10.3%	8.7%	*8.8%*	9.0%	*9.1%*	-1.4%	*-1.5%*
ETFSA Passive Global Balanced Conservative	5.46	0.1%	8.5%	*8.4%*	8.6%	*8.5%*	0.2%	*0.4%*
ETFSA Passive Global Balanced Growth	215.15	4.7%	9.6%	*8.8%*	9.9%	*9.1%*	-1.6%	*-1.5%*
RSA Equity					**R 1,722,754,958**		**37.5%**	
Abax Equity	354.36	7.7%	9.1%	*10.9%*	9.0%	*10.8%*	4.7%	*4.4%*
Allan Gray Equity	549.60	12.0%	10.9%	*10.9%*	10.4%	*10.8%*	11.4%	*4.4%*
Coronation Equity	490.28	10.7%	13.9%	*10.9%*	13.4%	*10.8%*	2.6%	*4.4%*
ABSA ETF	328.52	7.1%	5.6%	*10.9%*	5.4%	*10.8%*	4.6%	*4.4%*
RSA Bonds					**R 765,633,538**		**16.7%**	
Futuregrowth Yield Enhanced Special Bond Fund	386.63	8.4%	8.4%	*7.4%*	8.1%	*7.1%*	5.8%	*4.3%*
Stanlib Bonds	379.01	8.2%	6.7%	*6.4%*	7.2%	*7.1%*	4.5%	*4.3%*
RSA Inflation Linked Bonds					**R 0**		**0.0%**	
RSA Property					**R 191,799,701**		**4.2%**	
Sesfikile Property	125.48	2.7%	-2.3%	*-4.6%*	-2.0%	*-4.3%*	-2.4%	*-1.9%*
Futuregrowth Community Property Fund	66.32	1.4%	8.1%	*-4.6%*	8.1%	*-4.3%*	9.0%	*-1.9%*
RSA Cash					**R 254,177,939**		**5.5%**	
SIM Cash Fund	254.18	5.5%	5.4%	*4.9%*	5.3%	*4.8%*	5.5%	*5.2%*
International Equity					**R 843,638,810**		**18.4%**	
Baillie Gifford Worldwide Global Alpha Fund	504.07	11.0%	8.2%	*8.0%*	8.5%	*9.2%*	-24.3%	*-14.3%*
Vulcan Value Equity Fund	153.92	3.3%	-3.1%	*3.8%*	*n/a*	*n/a*	-35.2%	*-14.3%*
Ninety One Global Franchise Fund	185.65	4.0%	8.6%	*6.7%*	*n/a*	*n/a*	-12.6%	*-14.3%*
African Assets					**R 46,244,441**		**1.0%**	
All Seasons Africa Fund	45.02	1.0%	-2.9%	*2.9%*	-1.5%	*3.5%*	-17.2%	*-10.0%*
Ninety One Africa Equity	1.23	0.0%	-30.9%	*2.9%*	-32.2%	*3.5%*	-50.6%	*-10.0%*





University of the Witwatersrand Retirement Fund — 31 December 2022

Growth Product - Summary — R 4,325,182,919.44

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

	R'm
Total Portfolio Market Value at 31 December 2021	4,499.0
Cash flow for current financial year	-25.1
Total Return current financial year net of fees	-148.7
Total Current Portfolio Market Value	4,325.2

Return Objective

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

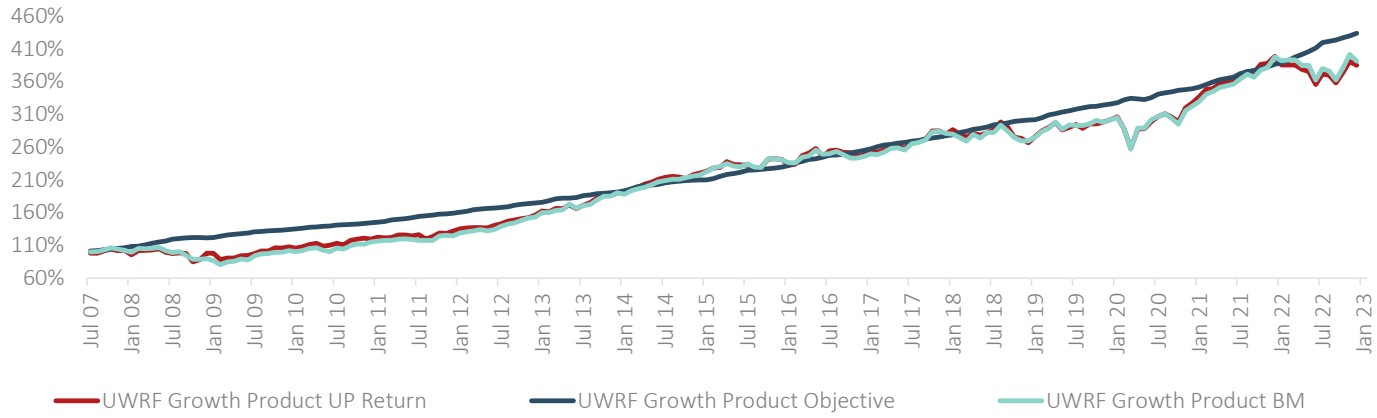
	Return %
Financial year return - net of asset management fees	-3.45%
CPI + 4.5%	12.31%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	68%
Percentage positive monthly returns last 5 years	65%

*July 2007

Performance (net of fees)

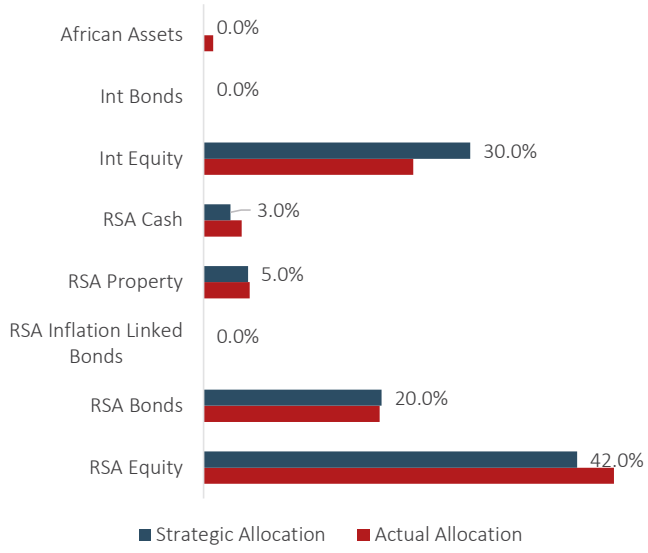


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.09%	9.93%	9.21%
Last 10 years	9.44%	9.52%	9.81%
Last 5 years	6.57%	9.37%	6.89%
Last 3 years	8.48%	10.03%	9.07%
1 year	-3.45%	12.31%	-1.54%
Ytd	-3.45%	12.31%	-1.54%
Last 3 months	7.58%	2.44%	8.14%
Last month	-1.48%	0.93%	-2.51%

*July 2007

Look-through Asset Allocation



University of the Witwatersrand Retirement Fund — 31 December 2022

Conservative Product - Summary — R 159,834,217.27

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 2021	138.7
Cash flow for current financial year	20.7
Total Return current financial year net of fees	0.4
Total Current Portfolio Market Value	159.8

Return Objective

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

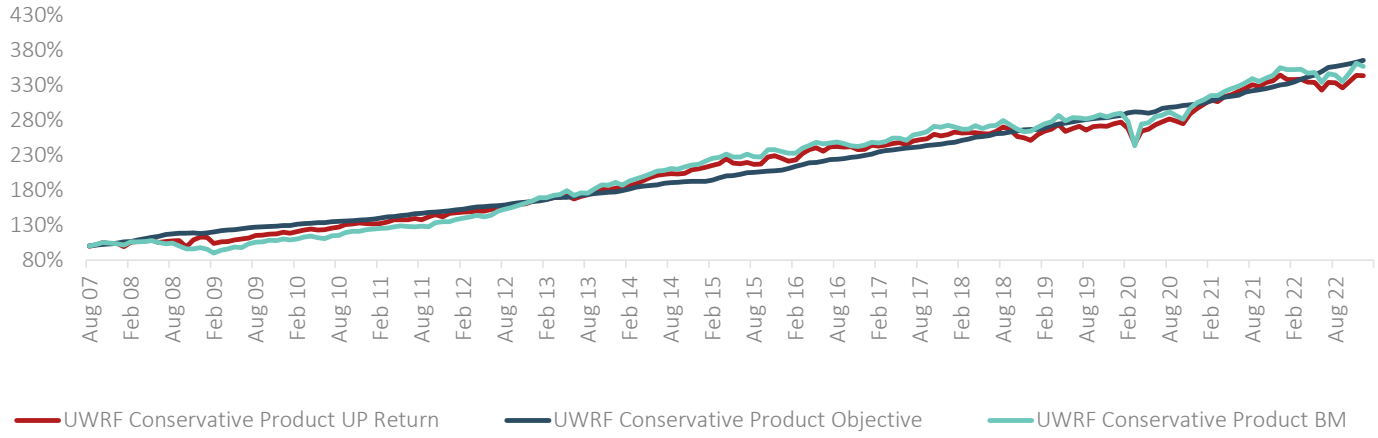
	Return %
Financial year return - net of asset management fees	-0.29%
CPI + 3.0%	10.71%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	72%
Percentage positive monthly returns last 5 years	60%

*August 2007

Performance (net of fees)

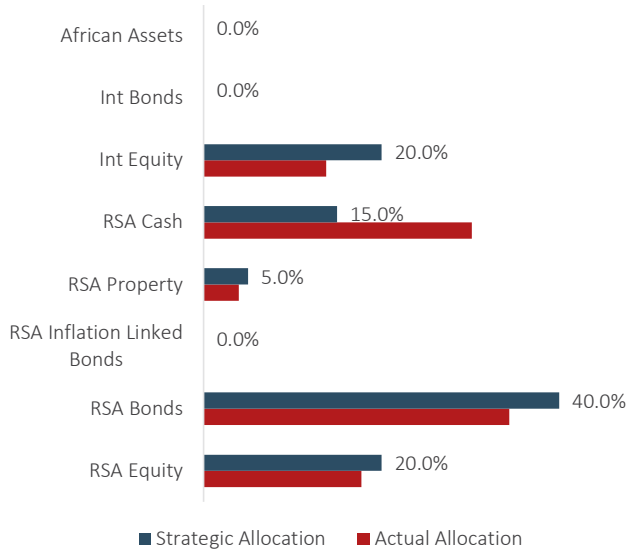


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.34%	8.79%	8.61%
Last 10 years	7.68%	8.37%	8.05%
Last 5 years	5.76%	8.12%	5.54%
Last 3 years	7.70%	8.63%	7.36%
1 year	-0.29%	10.71%	0.46%
YtD	-0.29%	10.71%	0.46%
Last 3 months	5.27%	2.07%	6.49%
Last month	-0.23%	0.81%	-1.19%

*August 2007

Look-through Asset Allocation



University of the Witwatersrand Retirement Fund

31 December 2022

Capital Protection - Summary

R 44,259,304.27

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 2021	82.9
Cash flow for current financial year	-41.0
Total Return current financial year net of fees	2.4
Total Current Portfolio Market Value	44.3

Return Objective

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

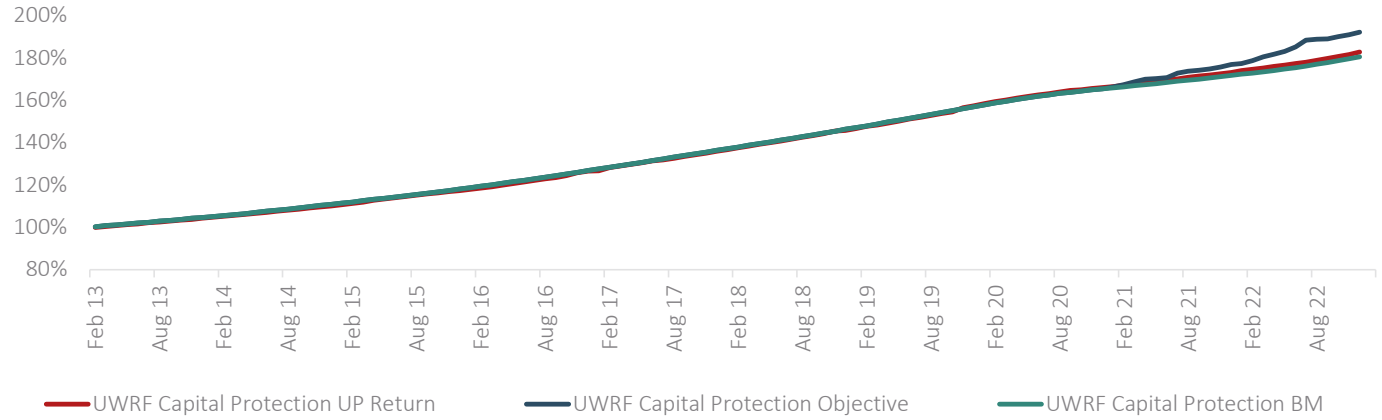
	Return %
Financial year return - net of asset management fees	5.50%
CPI + 1.0%	8.57%

Risk Objective

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

*February 2013

Performance (net of fees)

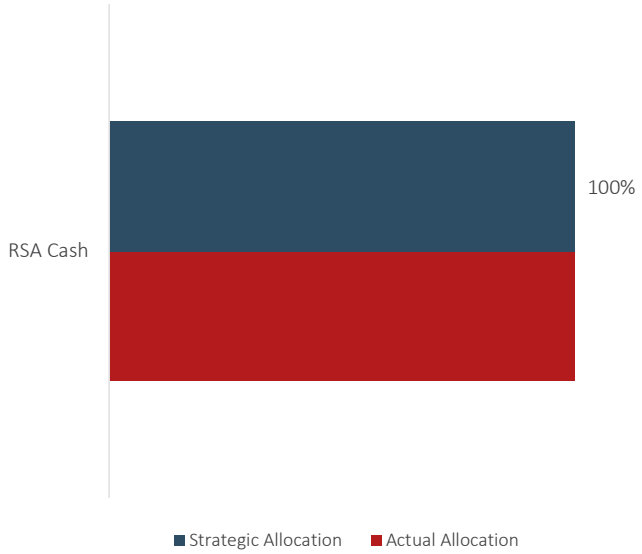


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.27%	6.81%	6.14%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.11%	7.09%	5.78%
Last 3 years	5.11%	6.97%	4.80%
1 year	5.50%	8.57%	5.19%
YtD	5.50%	8.57%	5.19%
Last 3 months	1.69%	1.57%	1.57%
Last month	0.60%	0.64%	0.54%

*February 2013

Asset Allocation



University of the Witwatersrand Retirement Fund

31 December 2022

Shariah Product - Summary

R 67,762,647.72

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	4.7
Total Return current financial year net of fees	-1.4
Total Current Portfolio Market Value	67.8

Return Objective

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

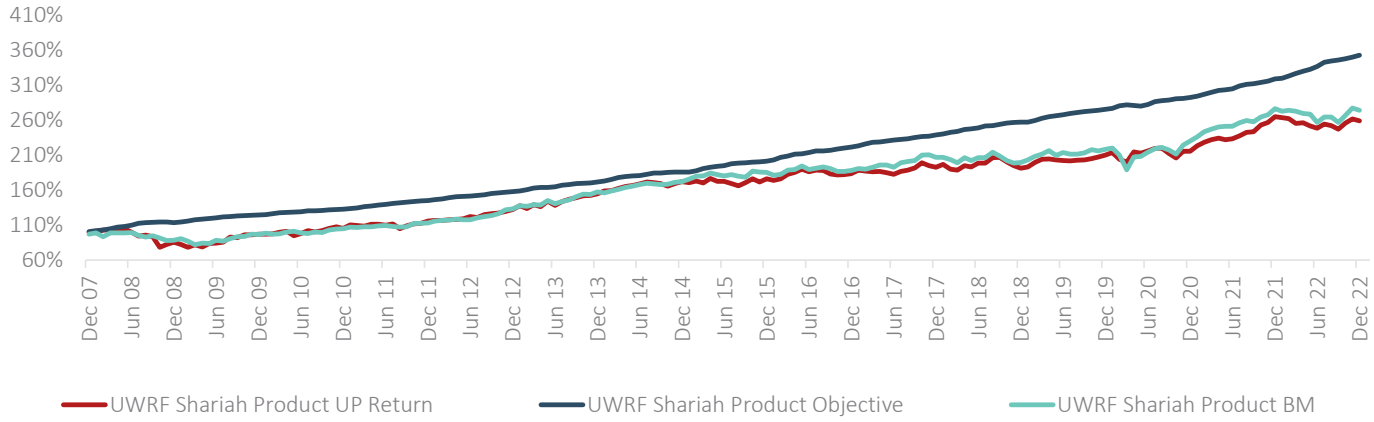
	Return %
Financial year return - net of asset management fees	-2.32%
CPI + 3.0%	10.71%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	62%
Percentage positive monthly returns last 5 years	60%

*December 2007

Performance (net of fees)



Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.53%	8.73%	6.93%
Last 10 years	6.95%	9.52%	7.47%
Last 5 years	6.12%	8.12%	5.81%
Last 3 years	7.19%	8.63%	7.85%
1 year	-2.32%	10.71%	-0.89%
YtD	-2.32%	10.71%	-0.89%
Last 3 months	4.90%	2.07%	6.91%
Last month	-1.06%	0.81%	-1.09%

*December 2007

Asset Allocation