

**Minutes of the Twenty Seventh Annual General Meeting
of the Members of the
University of the Witwatersrand Retirement Fund (“the Fund”)
Held on Thursday 29 November 2022 at 13h00 in the Wits Science Stadium, Auditorium 2, Braamfontein
Campus West and via Microsoft Teams**

Present:	Dr Kgomotso Kasonkola Professor Christo Auret Mr Daniel Gozo Mr Tumishi Madihlaba Professor Engela Schlemmer	Employer Trustee Chairman Employer Trustee Employer Trustee Member Trustee Deputy Chairman Member Trustee
	Mr Jeremy Gill	Principal Officer (“PO”)
By invitation:	Mr Triveshan Naidoo Ms Amy Degenhardt Ms Thandeka Dlamini Mr David Maetla Ms Dineo Kekana Mr Leo Vermeulen	NMG Employee Benefits (Pty) Ltd (“NMG”) NMG Employee Benefits (Pty) Ltd (“NMG”) NMG Employee Benefits (Pty) Ltd (“NMG”) Mosaic Investment Consultants (“Mosaic”) Mosaic Investment Consultants (“Mosaic”) Mosaic Investment Consultants (“Mosaic”)
Apologies:	Professor Clement Marumoagae Professor Garth Stevens Mr Dannielle Cerbone	Employer Trustee Member Trustee Member Trustee

Action

1. Welcome by the Chairman

Dr Kasonkola introduced himself as the Chairman of the Board, and welcomed all attendees present to the annual general meeting (AGM) of the Fund.

The Board of Trustees were noted as stipulated above.

2. Opening | Ground Rules

Dr Kasonkola introduced the presenters and explained to the members that translation services were available to those members who requested the session in alternative languages. Further to this, Dr Kasonkola requested for members to please sign the attendance register that was being circulated.

In addition, as this was a hybrid meeting, there were members who were joining on the online platform. As such, those members who were attending online, were to post any questions in the online chat.

3. Approval of the minutes of the AGM held on 24 February 2022

The minutes of the annual general meeting held on 24 February 2022 were approved and adopted as a true reflection of the proceedings of the meeting.

4. Nomination of Beneficiary Forms (Funeral and Death Benefits)

Mr Naidoo encouraged members to review the beneficiaries that they had nominated to receive any benefits payable on death in service. Further to this, it was emphasised that new regulatory requirements had been implemented where members needed to complete a separate nomination for the funeral benefits offered. Mr Naidoo explained that failure to submit the funeral nomination form would result in the payment of the funeral benefit to the deceased's estate rather than directly to the family. As such, it was imperative for all members to complete a nomination of beneficiary form.

Mr Naidoo added that printed copies of the forms were circulated at the meeting and members were reminded to complete these and submit them to the Pensions Office.

5. Fund's Website

Mr Naidoo advised that the Fund's website was available to all members. It was noted that the website had been revamped and hosted all the important documentation that members required including important forms and monthly updates. The members were encouraged to visit the website regularly to access important Fund communication.

6. Investment report back from Mosaic Investment Consultants.

Dr Kasonkola introduced Mr David Maetla, Ms Dineo Kekana, Tomi Kulcsar and Mr Leo Vermeulen who formed part of the investment consulting team at Mosaic.

Mosaic presented on the following topics:

- Market performance;
- Market outlook
- Fund performance and portfolio structure; and
- Shari'ah Portfolios

Market performance

Mr Kulcsar explained that local asset managers had been performing well recently, however, the turmoil in global markets had resulted in underperformance in offshore equity and bond asset classes.

The members noted that passive portfolios as a whole and the local portion of the active managers had performed well in recent times. In comparison, the active offshore exposure had underperformed over the last year, however over a 3-year period, active managers continued to perform well. It was explained that the offshore portfolio had consistently outperformed benchmarks until the end of 2021, all of which was taken back by the markets in 2022. Mr Kulcsar explained that there was a strong case for these global assets to be re-rated and for the outperformance to return to the offshore portion of the portfolios and for market conditions to stabilise.

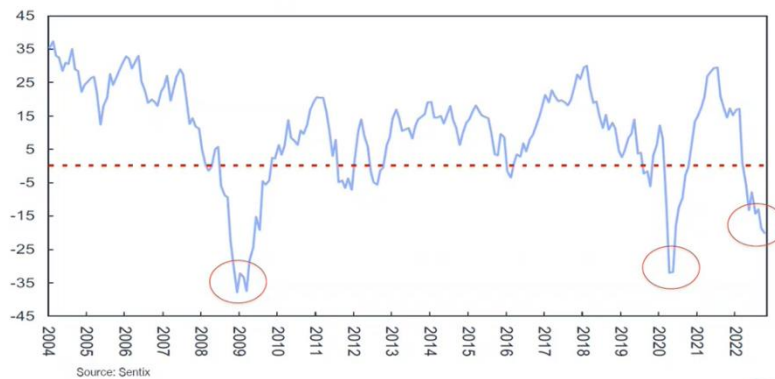
Economic outlook

Mr Vermeulen explained that the current economic environment was primarily driven by the inflation story and rising interest rate environment as central banks tried to curb rising inflation. The members noted that the primary factors impacting the market to date were as follows:

- The Russian Ukraine war continued to contribute to the high inflation environment through supply chain restrictions.
- China's growth continued to be impacted by their zero tolerance Covid policy.
- Central banks continued to aggressively hike interest rates to combat high inflation which fuelled recessionary fears
- Both bonds and equities were down, which was unusual. A standard portfolio combination in the US is 60% equity and 40% bonds, this allocation over the past year, would have offered its worst performance in 100 years
- The dollar continued to perform well as investors flocked to safe haven assets
- SA equities continued to outperform global peers

The members noted that the market was experiencing low confidence levels and low sentiment very close to what was experienced when the global financial crisis hit in 2008.

Sentix global confidence index



Mr Vermeulen brought the members' attention to a graph depicting the various inflation and interest rates that countries were experiencing and highlighted that:

- The latest inflation rate out of the US was printed at 7.7%, and interest rates had further increased by 75 basis points to around 4%.
- In places like Europe for the first time ever, double-digit inflation figures have been reported around 10.7%.

South Africa was currently experiencing inflation of 7.5% whilst the repo rate was currently just over 6%, which was not as elevated as was found in other places of the world.

It was expected that inflation had peaked in many countries and interest rates were slowly but surely expected to start coming down. Mr Vermeulen explained that emerging markets were ahead of the curve in the interest rate hiking cycle, as such, it was likely that they would be the ones to start lowering interest rates. The members noted that countries like the US and Europe however still needed to hike rates, although at a lower rate, to curb inflation, as a result developed and emerging markets would enter different economic cycles, experience sentiment change and different market returns.

Mr Vermeulen explained that the global fears of inflation continued, Mosaic expected that some countries would experience a recession, however they did not expect a global recession where over 80% of countries experienced a recession. Based on the

current economic position, a recession was potentially on the cards for the US and possibly Europe.

The members were reminded that the technical definition of a recession was two quarters of negative growth. With higher interest rates following through to economies and manufacturing, there was a slowdown in manufacturing, trade, growth, and commodity prices. In conjunction with this slowdown, high interest rates were resulting in people demanding higher wage increases to keep up with inflation. Mr Vermeulen explained that one problem was that wages had not kept up with high inflation and as a result, the average consumer was worse off. In addition to wages not keeping up with the high inflation rates, Mr Vermeulen explained that South African consumers were not alone in fighting high electricity costs and high energy prices globally were eating into consumers' spending power. As a result of these factors, there would eventually be a slowdown in economic activity which would allow prices to come down and start a new economic cycle. As the cycle turned, the members noted that it would provide opportunities in the market.

Mr Vermeulen added that economists would continue to watch US wage growth a signal as currently there were more jobs available than people needing a job and as a result, higher wages were needed to secure staff which further resulted towards increasing inflation, this gap needed to close to make headway on controlling inflation. It was expected that US inflation would significantly reduce in the years ahead, but it would take 2-4 years for the rates to drop back to the normal 2-3% levels.

The members noted that the tech stocks had been heavily negatively impacted in the low growth environment, but if you looked at the other companies listed on the S&P 500, there was value to be had if investors picked the right sectors and the right stocks, as such investors had an opportunity to do well in the years ahead.

Mr Vermeulen provided an overview of China, the second largest economy in the world, noting that due to their zero tolerance Covid policy, economic growth in the region had struggled. In addition to this, due to the fact that the global consumer was under pressure, there was lower demand for Chinese production in the global market which placed further strain on their exports and economic growth.

The members noted that in South Africa, the decisions made at the ANC conference in December 2022, would potentially increase the volatility in the market. It was noted that the best outcome for the market would be for President Cyril Ramaphosa to retain his position. The members noted that the revenue collection for the year had been good, primarily due to the commodity boom and the government had been fairly prudent in spending the windfall. Eskom remained the primary area of concern alongside SOE bailouts, and unsustainable public sector wage growth. The government was under pressure to come up with a strong plan to promote growth in the year ahead. As a whole, the current investment opportunities in South Africa were providing a good level of return compared to other markets.

Fund performance and structure

- Mr Kulcsar provided an overview of the Fund's performance, noting that, in October the Fund had done very well providing a return of 4.5% for the Growth product, 2.6% from the Conservative product and the Shariah product also did quite well.

- The members noted that a bear market had been present for the last 12 months, therefore on a one-year basis, returns were negative for the Growth product, flat returns for Conservative and good relative returns for the Capital Protection product which was essentially cash. In context of the asset classes, total returns out of the market were not close to the market objectives which were elevated due to high inflation rates. The members noted the comparison to the industry returns, the portfolios had slightly underperformed in the short term, but over the longer terms, returns remained above inflation.
- Mr Kulcsar provided a comparison of the Fund's returns to the UCT portfolio, noting that both had underperformed the benchmark, this was primarily due to the underperformance of the global asset classes.

Shari'ah Portfolios

Mr Vermeulen explained that following engagement with the members of the funds, the Shari'ah portfolio asset manager had been successfully changed from Oasis to 27four. The members noted the summary of the reasons for change as well as the member communications that had been distributed.

7. Report of the Principal Officer

a. Report back of Fund activities from 1 March 2022 to date

The Principal Officer noted his role and explained that he acted as the conduit between the Fund and the authorities, he advised that he had reviewed the Fund's activities and confirmed compliance on the following areas:

Member Trustees elections

Members noted that the Fund was run by a Board of Trustees consisting of four Trustees appointed by Council and four Trustees elected by the members. The Board of Trustees were noted as follows:

Employer Trustees	Member Trustees
Christo Auret	Dannielle Cerbone
Daniel Gozo	Tumisho Madihlaba (Vice-Chair)
Kgomotso Kasonkola (Chair)	Engela Schlemmer
Clement Marumoagae	Garth Stevens

Member Communication

It was noted that various communications were forwarded to members in 2022 either directly via email, payslip attachment, through specific virtual sessions or via the Fund's website which was regularly updated and can be found at www.uwrf.co.za.

Fund Rules

Members noted that the Fund Rules were amended in 2021 to make provision for an increase in a Trustee's term of office and for the annuitisation of provident funds. The rule amendment was approved by the authorities in June 2022.

Fund's Annual Financial Statements and solvency

It was noted that the Fund was audited by external auditors PriceWaterhouseCoopers as at 31 December each year. The Fund was again given an unqualified audit opinion

for the 2021 year and copies of the Income Statement and Balance Sheet were presented. Furthermore, a full set of the statements could be found on the website.

Members noted that the Fund was also reviewed by a qualified actuary every 3 years. The latest valuation was almost complete and would be placed on the website when ready.

Funds expenses and reserves

The Principal Officer reported that operating costs were under control and the fees charged to member accounts were slightly less in 2022 owing to a reduction in the investment fee from 0.08% to 0.07% per annum. Members noted that these fees would be reviewed again in early 2023.

Contributions

Members noted that regular and correct amounts of contributions had been timeously received from the University each month.

The Principal Officer explained that a facility for Members to maximise their contribution to the Fund was introduced in 2017. Any Member who has elected an RFI percentage of 100% of TGP may elect to contribute an additional 4% of RFI on a monthly basis, subject to a maximum Rand amount per annum. Members were asked to please contact the Pensions Office for further information.

Insurance Rates

The Principal Officer reported that there had been no further increases in the insurance rates. Members noted that the Fund's consultants had conducted a rebroke of the insurance and this had shown that the current rates charged by our insurers, Liberty Life and Old Mutual, were in line with the market.

Future Administration

The Principal Officer reported that early in 2023, the Board of Trustees would issue a tender in respect of the administration services currently being offered by Liberty Life who had indicated their intention to discontinue this service within the next 2 years. Further information would be sent to Members if and when the Board came to a decision on the new Fund administrators.

Investment Performance

Members noted the performance of the available portfolios in the Fund. The Principal Officers explained that excellent returns were earned in 2021 while the 10-year average was well ahead of inflation however, it was noted that owing to worldwide market corrections, the performance so far in 2022 was significantly lower. Members were reminded that investment returns could fluctuate over certain periods.

Pensions

The members noted that the Fund paid monthly pensions to spouses and children of members who had died in service and 125 dependants were in receipt of pensions as at 31 December 2021. It was further noted that the pensions were reviewed each year to ensure that they kept up with inflation with the most recent increase being 8% at 1 January 2022, pro-rated over the previous 2 years.

Beneficiary Nomination Form

The Principal Officer reminded the members of the of the legislated change in the requirements for funeral claim payments and he explained that when a member died,

the funeral benefit payment would now be made directly to the beneficiaries listed on a separate nomination form and if the form was not completed by the member, the insurer (Liberty Corporate in the case of the UWRF) would pay the benefit to the deceased member's estate. He further encouraged members to review the beneficiaries that they had nominated.

Administration

The Principal Officer reported that the Fund's membership had stayed constant so far in 2022 and currently stood at 5063 members.

Service Providers

The Fund's service providers were noted as follows:

- Mosaic Investment Solutions (Investment Consultant)
- NMG Benefits (Benefit Consultants)
- NMG Benefits (Actuarial services)
- Liberty Life (Administration and insurance)
- PriceWaterhouseCoopers (Auditors)
- Carmargue (Fidelity Cover insurers)

The Principal Officer concluded that despite the economic uncertainties, the Fund had a satisfactory year in 2022.

b. 2021 Extract of Annual Financial Statements

Due to time constraints the 2021 Annual Financial Statements were noted to have been included in the communication that was circulated to members prior to the meeting.

8. General and Questions

8.1 Future administration

A member queried the reason why Liberty would not be administering Funds, going forward.

Dr Kasonkola advised that Liberty were no longer administering stand-alone funds and were focusing their administration on umbrella funds. As such, the Fund would need to consider if they wanted to remain a stand-alone fund or move to an umbrella fund offering.

8.2 Fund investments

A member advised that they would like a portion of the money in the Fund to be invested in student accommodation.

Mr Vermeulen advised that retirement fund monies needed to be invested in terms of Regulation 28 and as such, investment managers were guided by these principles. This meant that retirement fund monies unfortunately, could not be invested directly in student accommodation. Mr Vermeulen added that however, the Fund had allocated money to the Futuregrowth Community Property Fund, which invests in retail property developments in rural areas and townships.

8.3 Two pot system

A member asked for an update on the two-pot system and why it was not included in the agenda.

Mr Naidoo advised that the proposed implementation date was 1 March 2024 and at this stage the details were unclear. As such, the Fund would communicate with members once more details had been received regarding the implementation.

9. Close of meeting

Dr Kasonkola thanked all present for their attendance, and with there being no further matters to discuss, the meeting was declared closed.

Signed at _____ on this _____ day of _____ 2023.

Chairman