

# UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 31 October 2023

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## Economic Commentary

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Global markets fell for the third consecutive month as concerns of slowing global growth, geopolitical tensions and worries about high inflation and interest rates weighed on sentiment.

Uncertainty around prospects for global growth weighed on investor sentiment in October despite strong consumption expenditure and GDP growth in the US. The possibility of a US government shutdown also dampened enthusiasm, while a resumption in student loan payments and the depletion of excess savings raised questions about the sustainability of consumer spending ahead of the festive season. Stubborn US inflation, which printed at a higher-than-expected 3.7% year-on-year in September, and Q3 growth of a staggering 4.9% puts the Federal Reserve in a difficult position having to balance the increasing risks of a recession with the need to cool inflation further. While the Federal Reserve Chairman acknowledged recent signs of cooling inflation, he reiterated that the central bank would be resolute in its commitment to bring inflation back down to 2%. He noted that to ensure the decline in inflation was sustainable, a slowdown in economic activity and further softening in the tight labour market was required. These comments were made at the same time as initial jobless claims recorded their lowest weekly level since early 2023 prompting the Chairman to warn that additional evidence of persistently above-trend growth or continued tightness in the labour market could put further progress on inflation at risk and warrant more interest rate hikes.

Global markets declined in October as investors priced in higher interest rates for longer and a potential recession in the US. The MSCI World Index shed 2.9%, led by declines in economically sensitive consumer discretionary stocks and energy stocks as the oil price dropped 8% on fears of slowing demand. The US' NASDAQ fell 2% while the S&P500 index shed 2.1% as large technology stocks recouped some losses towards month end on the back of good quarterly earnings. Emerging markets fell 3.9% as China's slowing economy and continued woes in the nation's property sector weighed on sentiment. Global bonds shed 1.2% for the month as yields on developed market government bonds continued to rise through the month. The US 10-year Treasury yield breached 5% in October for the first time since 2007 as investors expected further rate hikes by the Federal Reserve. In response, global property stocks fell 4.7% as investors priced in the impact of higher financing costs.

In South Africa, inflation rose to 5.4% year-on-year, from 4.8% in August, as fuel prices surged and food prices again rose. Economic activity remains subdued but an easing in loadshedding may have a positive effect on Q4 growth. Business confidence remains low but may well experience a recovery post the Rugby World Cup if Eskom's energy availability factor improves sustainably. An uptick in the Experian Consumer Default Index however suggests that the consumer is feeling increasingly constrained and, combined with a lower appetite to borrow and declining credit approval rates, suggests that private sector credit extension growth will continue to slow as high interest rates impact affordability. South Africa logged a trade surplus of R13bn in September, exceeding expectations for a R12bn surplus, as higher exports of precious metals offset an increase in oil imports.

The local equity market traded sharply lower in October with all sectors except gold mining suffering losses. The All Share Index declined 3.4%, driven by large losses in diversified miners and companies sensitive to Chinese growth. Gold stocks performed well as the gold price rose 7% in the month, but PGM miners again retreated as concerns about slowing growth dented demand prospects for Palladium. Financial stocks lost 2% while Industrial stocks shed 4.5% led by losses in China-exposed Naspers, Prosus and Richemont. The rand strengthened 1.4% against the dollar for the month, settling at R18.60 at month end. The All Bond Index gained 1.7% as yields on government bonds dipped below 10.7% at month end in anticipation of an austere Medium Term Budget Policy Statement. Listed property stocks fell 3% as the sector remains under pressure from rising costs and lower distributable income.



## Total Fund Information

R 4,722,445,305.15

Total Fund Market Value at 31 December 2022	4,597,039,088.70
Cash flow for current financial year	-16,096,811.47
Total Return current financial year net of fees	141,503,027.92
Total Current Portfolio Market Value	4,722,445,305.15

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
<b>Global Balanced</b>	73,921,256	-	-	-	73,921,256
27Four Shariah Multi-Managed Balanced	73,921,256	-	-	-	73,921,256
<b>Passive Global Balanced</b>	-	-	18,953,980	715,525,870	734,479,850
Sygnia Passive Global Balanced Conservative	-	-	13,218,734	-	13,218,734
Sygnia Passive Global Balanced Growth	-	-	-	490,293,275	490,293,275
ETFSA Passive Global Balanced Conservative	-	-	5,735,246	-	5,735,246
ETFSA Passive Global Balanced Growth	-	-	-	225,232,595	225,232,595
<b>RSA Equity</b>	-	-	25,376,440	1,532,552,953	1,557,929,393
Abax Equity	-	-	5,361,518	337,688,582	343,050,100
Allan Gray Equity	-	-	8,352,623	459,405,398	467,758,021
Coronation Equity	-	-	6,036,152	415,202,114	421,238,266
ABSA ETF	-	-	5,626,146	320,256,859	325,883,005
<b>RSA Bonds</b>	-	-	55,853,184	727,887,231	783,740,415
Futuregrowth Yield Enhanced Special Bond Fund	-	-	28,578,050	366,892,481	395,470,532
Stanlib Bonds	-	-	27,275,134	360,994,750	388,269,883
<b>RSA Inflation Linked Bonds</b>	-	-	-	-	-
<b>RSA Property</b>	-	-	7,293,340	242,716,120	250,009,460
Sesfikile Property	-	-	2,756,320	114,012,408	116,768,728
Futuregrowth Community Property Fund	-	-	4,537,020	128,703,712	133,240,732
<b>RSA Cash</b>	-	50,714,382	30,311,780	234,669,300	315,695,463
SIM Cash Fund	-	50,714,382	25,304,480	109,486,499	185,505,361
Prescient Conservative TAA	-	-	5,007,300	-	5,007,300
Prescient Growth TAA	-	-	-	125,182,802	125,182,802
<b>International Equity</b>	-	-	22,504,169	934,530,756	957,034,925
Baillie Gifford Worldwide Global Alpha Fund	-	-	10,370,179	538,038,183	548,408,362
Vulcan Value Equity Fund	-	-	3,175,837	192,133,213	195,309,050
Ninety One Global Franchise Fund	-	-	8,958,153	204,359,359	213,317,512
<b>African Assets</b>	-	-	-	49,634,543	49,634,543
All Seasons Africa Fund	-	-	-	48,320,833	48,320,833
Ninety One Africa Equity	-	-	-	1,313,711	1,313,711
<b>Total</b>	73,921,256	50,714,382	160,292,894	4,437,516,773	4,722,445,305



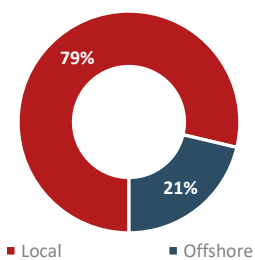
Manager and Product Information

R 4,722,445,305.15

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 73,921,256</b>			<b>1.6%</b>		
27Four Shariah Multi-Managed Balanced	73.92	1.6%	-2.2%	-2.4%	n/a	n/a	n/a	n/a
<b>Passive Global Balanced</b>			<b>R 734,479,850</b>			<b>15.6%</b>		
Sygnia Passive Global Balanced Conservative	13.22	0.3%	7.4%	7.5%	10.1%	10.3%	7.7%	6.9%
Sygnia Passive Global Balanced Growth	490.29	10.4%	7.9%	8.0%	10.9%	11.2%	7.2%	6.7%
ETFSA Passive Global Balanced Conservative	5.74	0.1%	8.0%	7.5%	10.3%	10.3%	8.6%	6.9%
ETFSA Passive Global Balanced Growth	225.23	4.8%	8.7%	8.0%	11.4%	11.2%	9.3%	6.7%
<b>RSA Equity</b>			<b>R 1,557,929,393</b>			<b>33.0%</b>		
Abax Equity	343.05	7.3%	6.3%	7.7%	13.4%	13.1%	3.1%	3.1%
Allan Gray Equity	467.76	9.9%	8.4%	7.7%	18.3%	13.1%	3.8%	3.1%
Coronation Equity	421.24	8.9%	9.8%	7.7%	15.3%	13.1%	1.8%	3.1%
ABSA ETF	325.88	6.9%	4.2%	7.7%	13.4%	13.1%	-0.6%	3.1%
<b>RSA Bonds</b>			<b>R 783,740,415</b>			<b>16.6%</b>		
Futuregrowth Yield Enhanced Special Bond Fund	395.47	8.4%	7.2%	6.7%	8.4%	7.3%	7.8%	7.9%
Stanlib Bonds	388.27	8.2%	5.9%	5.9%	7.4%	7.3%	6.8%	7.9%
<b>RSA Inflation Linked Bonds</b>			<b>R 0</b>			<b>0.0%</b>		
<b>RSA Property</b>			<b>R 250,009,460</b>			<b>5.3%</b>		
Sesfikile Property	116.77	2.5%	-3.6%	-5.5%	17.6%	19.0%	-0.6%	-1.2%
Futuregrowth Community Property Fund	133.24	2.8%	7.9%	-5.5%	8.7%	19.0%	8.7%	-1.2%
<b>RSA Cash</b>			<b>R 315,695,463</b>			<b>6.7%</b>		
SIM Cash Fund	185.51	3.9%	5.9%	5.5%	5.7%	5.4%	8.0%	7.7%
Prescient Conservative TAA	5.01	0.1%	n/a	n/a	n/a	n/a	n/a	n/a
Prescient Growth TAA	125.18	2.7%	n/a	n/a	n/a	n/a	n/a	n/a
<b>International Equity</b>			<b>R 957,034,925</b>			<b>20.3%</b>		
Baillie Gifford Worldwide Global Alpha Fund	548.41	11.6%	8.7%	10.1%	0.8%	9.9%	10.3%	10.3%
Vulcan Value Equity Fund	195.31	4.1%	5.5%	7.6%	n/a	n/a	16.8%	10.3%
Ninety One Global Franchise Fund	213.32	4.5%	11.2%	9.9%	n/a	n/a	10.4%	10.3%
<b>African Assets</b>			<b>R 49,634,543</b>			<b>1.1%</b>		
All Seasons Africa Fund	48.32	1.0%	-0.5%	-2.3%	1.3%	-1.5%	5.8%	3.0%
Ninety One Africa Equity	1.31	0.0%	-24.1%	-2.3%	-28.6%	-1.5%	2.1%	3.0%



- 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

4,437,516,773.35

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 2022	4,325.2
Cash flow for current financial year	-17.1
Total Return current financial year net of fees	129.4
Total Current Portfolio Market Value	4,437.5

Return Objective

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

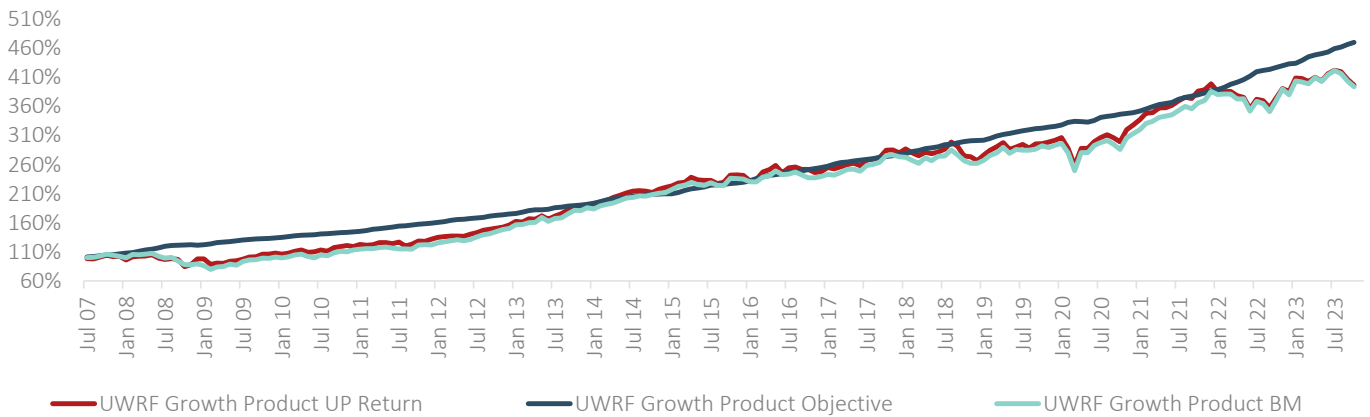
	Return %
Financial year return - net of asset management fees	3.02%
CPI + 4.5%	8.56%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	66%
Percentage positive monthly returns last 5 years	63%

\*July 2007

Performance (net of fees)

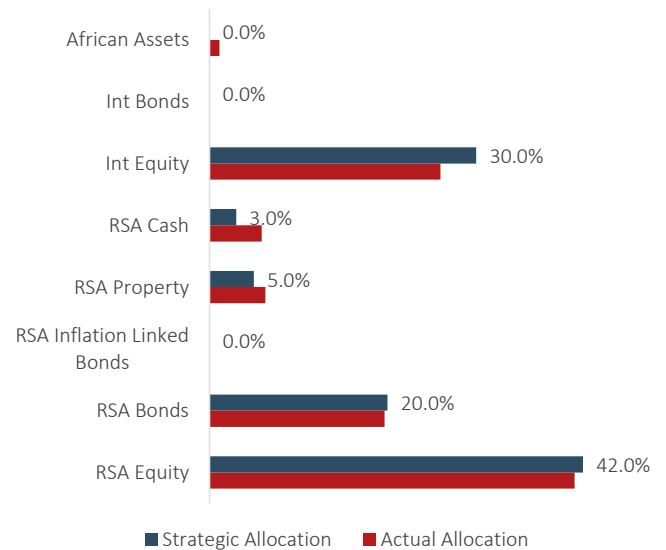


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.80%	9.94%	8.75%
Last 10 years	7.85%	9.50%	8.08%
Last 5 years	7.61%	9.43%	8.12%
Last 3 years	9.86%	10.68%	11.25%
1 year	6.09%	10.07%	6.58%
Ytd	3.02%	8.56%	3.72%
Last 3 months	-6.04%	2.38%	-6.58%
Last month	-2.45%	0.73%	-2.37%

\*July 2007

Look-through Asset Allocation



Conservative Product - Summary

R

160,292,893.54

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 2022	159.8
Cash flow for current financial year	-5.2
Total Return current financial year net of fees	5.7
Total Current Portfolio Market Value	160.3

Return Objective

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

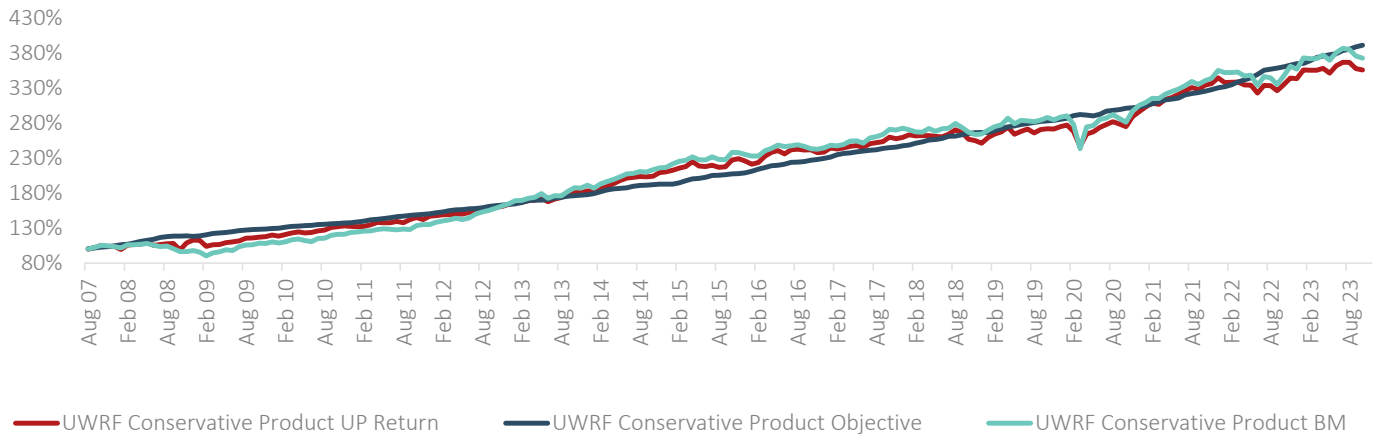
	Return %
Financial year return - net of asset management fees	3.57%
CPI + 3.0%	7.26%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	70%
Percentage positive monthly returns last 5 years	60%

\*August 2007

Performance (net of fees)

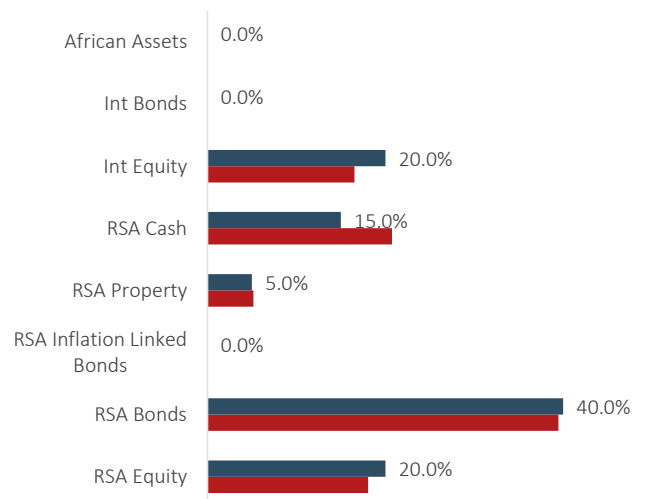


Returns - Various Periods

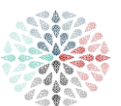
	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.13%	8.77%	8.44%
Last 10 years	6.94%	8.31%	7.12%
Last 5 years	6.71%	8.09%	6.89%
Last 3 years	8.99%	9.13%	9.84%
1 year	6.26%	8.50%	7.33%
YtD	3.57%	7.26%	4.41%
Last 3 months	-3.02%	2.01%	-3.66%
Last month	-0.56%	0.60%	-0.86%

\*August 2007

Look-through Asset Allocation



■ Strategic Allocation ■ Actual Allocation



**Capital Protection - Summary**

R

50,714,382.26

**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 2022	44.3
Cash flow for current financial year	3.4
Total Return current financial year net of fees	3.0
Total Current Portfolio Market Value	50.7

**Return Objective**

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

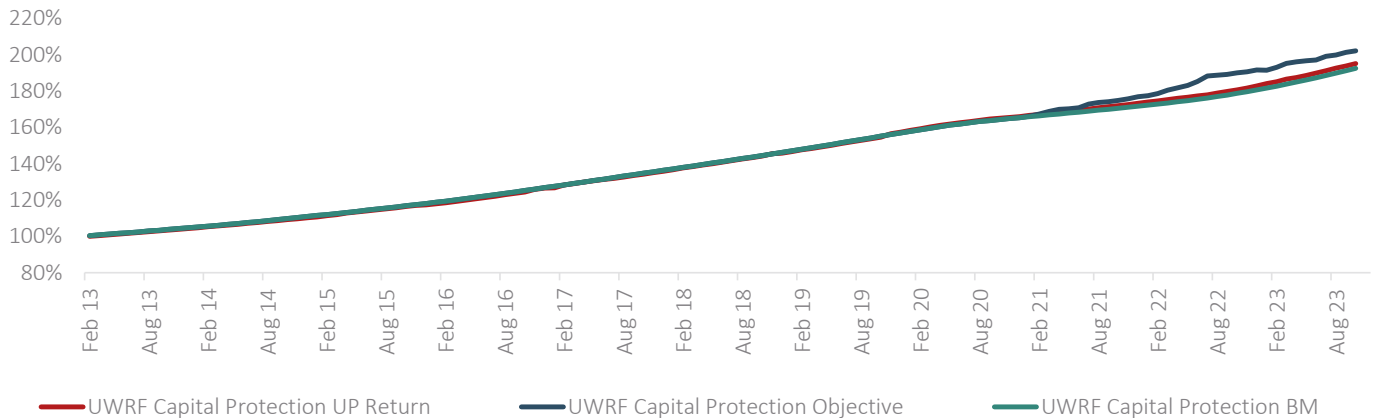
	Return %
Financial year return - net of asset management fees	6.77%
CPI + 1.0%	5.53%

**Risk Objective**

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

\*February 2013

**Performance (net of fees)**

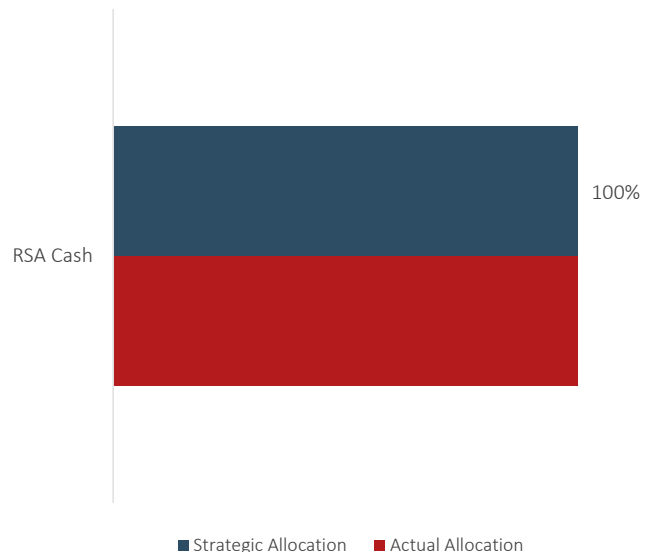


**Returns - Various Periods**

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.42%	6.77%	6.28%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.24%	6.94%	5.90%
Last 3 years	5.74%	7.14%	5.42%
1 year	7.99%	6.40%	7.73%
YtD	6.77%	5.53%	6.59%
Last 3 months	2.03%	1.51%	2.08%
Last month	0.69%	0.44%	0.70%

\*February 2013

**Asset Allocation**



■ Strategic Allocation ■ Actual Allocation





Shariah Product - Summary

R

73,921,255.99

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.

Total Portfolio Market Value at 31 December 2022	R'm	67.8
Cash flow for current financial year		2.8
Total Return current financial year net of fees		3.4
Total Current Portfolio Market Value		73.9

Return Objective

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

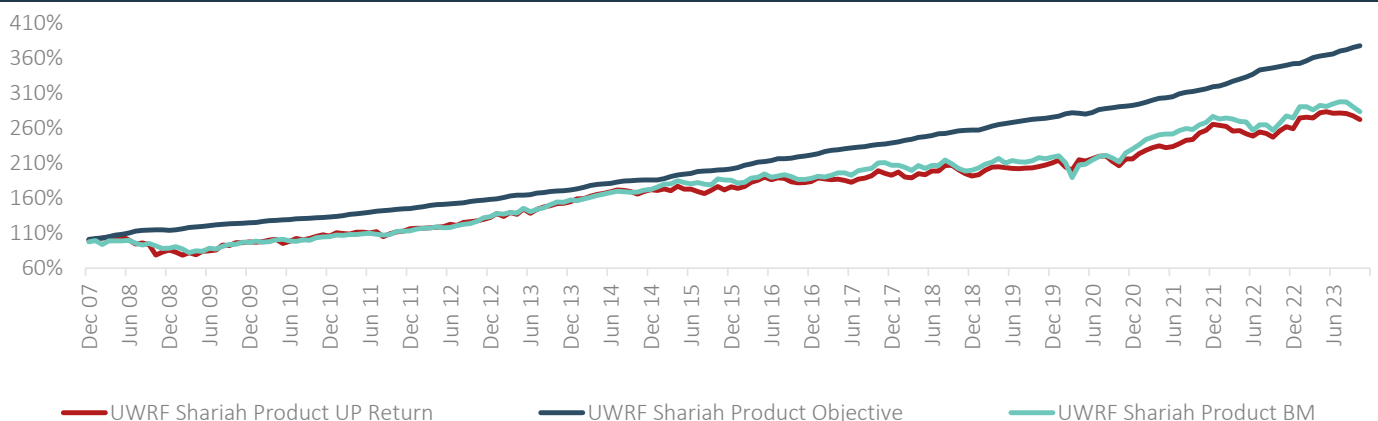
	Return %	
Financial year return - net of asset management fees		5.01%
CPI + 3.0%		7.26%

Risk Objective

	Return %	
Percentage positive monthly returns since inception*		61%
Percentage positive monthly returns last 5 years		60%

\*December 2007

Performance (net of fees)

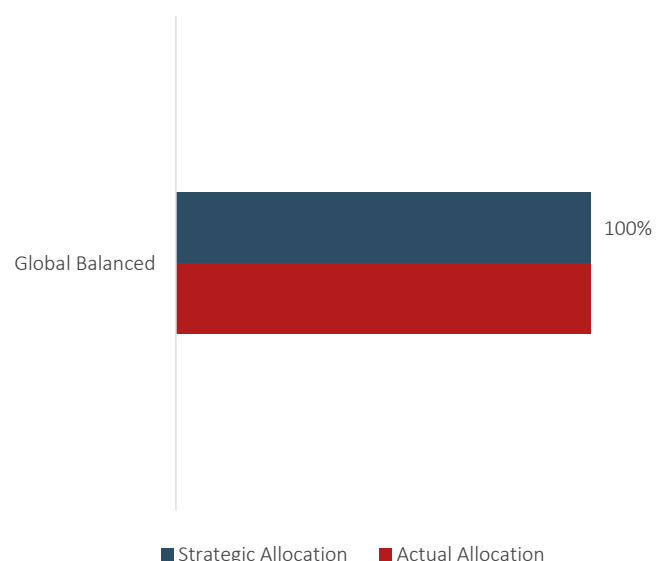


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.50%	8.72%	6.77%
Last 10 years	6.00%	9.50%	6.26%
Last 5 years	6.30%	8.09%	6.96%
Last 3 years	9.69%	9.13%	10.23%
1 year	6.29%	8.50%	6.11%
YtD	5.01%	7.26%	3.30%
Last 3 months	-3.33%	2.01%	-4.78%
Last month	-1.90%	0.60%	-2.30%

\*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

