

# UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 31 January 2024

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## Economic Commentary

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Global markets had a bumpy start to the year as investors' confidence in the shift to a supportive monetary policy environment in the US was tested by a series of better-than-expected economic data releases. The resultant higher US bond yields, as well as continued concerns about the knock-on effects of China's distressed property market, put further pressure on emerging markets.

The U.S. economy grew by a faster-than-expected 3.3% in the fourth quarter on the back of strong consumer spending, rising exports, government spending and business investment. Growth for the year, at 2.5%, surprised economists who had largely expected a slowdown after a series of aggressive interest rate hikes. Consumer spending, which rose 2.8% in the fourth quarter, was supported by a strong labour market with strong wage gains and low layoffs as well as higher interest and dividend income from investments. Spending is however likely to slow in the coming quarters as savings are depleted and higher borrowing costs increase the levels of consumer distress in certain sectors. Meanwhile, headline inflation rose more than expected to 3.4% year-on-year in December from 3.1% in November, as shelter prices remained high and fuel and food costs rose. Core inflation, which excludes food and energy prices, dipped slightly but remained at an elevated 3.9% thanks to a 6.2% y/y increase in shelter costs. The strong economic performance, which appears to have spilled over into the new year, suggests that March would be too soon for the U.S. central bank to start cutting interest rates. The Federal Reserve is however expected to cut rates later this year as they expect shelter costs to decline through the year as renewed leases reflect lower rentals.

Global markets dipped early in the month as investors started to doubt that interest rates would be cut in March, but later recovered as investors welcomed strong earnings results from technology companies. The MSCI World Index gained 1.2% in the month, driven by strength in technology and social media stocks. The US' S&P500 index added 1.7% in the month as gains in technology stocks offset losses in consumer discretionary stocks, while the NASDAQ added 1.9% as gains of 24% in NVIDIA offset similar losses in Tesla. Emerging markets recorded losses of 4.6%, driven by a 10% fall in the Hang Seng Index, as Chinese stocks sold off on fears of contagion from the developing property crisis. Global bonds declined 1.4% for the month as yields on developed market government bonds rose after hopes for an imminent pivot by the US Federal Reserve were dashed late in the month. The yield on the US 10-year Treasury ended the month largely unchanged at 3.9% but short-term fixed income market pricing now suggests that interest rates will be cut six times in 2024, although the Federal Reserve has suggested only three cuts. Global property stocks fell 4.2% in January as investors factored in a slower return to low interest rates.

In South Africa, inflation slowed to 5.1% year-on-year in December – the lowest reading in four months – as food price inflation slowed (although prices remained high) and fuel prices declined. The SARB acknowledged the lower inflation reading but decided to keep interest rates at 8.25% at the January MPC meeting, citing that inflation risks remain to the upside. The SARB and the IMF had also revised down the domestic GDP growth forecast for 2023 and 2024 as logistics constraints hampered economic activity in Q4 2023 and are expected to be a drag on productivity through the year, even as electricity production is expected to improve slightly.

Local markets followed emerging markets lower, with losses exacerbated by sharp declines in platinum companies and MTN. The All Share Index dropped 2.9% in the month, as resources stocks declined 6.3% and financial stocks fell 2.9%. Platinum stocks traded sharply lower as the platinum price declined 7% to \$933 per ounce. Industrial stocks lost just 1.2% as a 10% surge in Richemont, thanks to robust demand for luxury goods, offset a loss of 17% by MTN resulting from a sharp depreciation in the Nigerian Naira. The rand weakened 2% against the dollar to end the month at R18.67 as investors soured on emerging markets. Local bond yields were unchanged, with the yield on the 10-year SA government bond ending the month at 9.76%. As a result, the All Bond Index gained 0.7% for the month. Listed property stocks jumped 4.2% as investors priced in a potential bottoming in the market and lower future funding costs.



## Total Fund Information

R 5,118,189,371.85

Total Fund Market Value at 31 December 2023	5,279,412,907.56
Cash flow for current financial year	-170,342,145.56
Total Return current financial year net of fees	9,118,609.85
Total Current Portfolio Market Value	5,118,189,371.85

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
<b>Global Balanced</b>	<b>61,706,388</b>	-	-	-	<b>61,706,388</b>
27Four Shariah Multi-Managed Balanced	61,706,388	-	-	-	61,706,388
<b>Passive Global Balanced</b>	-	-	<b>20,694,193</b>	<b>794,010,308</b>	<b>814,704,501</b>
Sygnia Passive Global Balanced Conservative	-	-	14,479,419	-	14,479,419
Sygnia Passive Global Balanced Growth	-	-	-	545,427,651	545,427,651
ETFSA Passive Global Balanced Conservative	-	-	6,214,774	-	6,214,774
ETFSA Passive Global Balanced Growth	-	-	-	248,582,657	248,582,657
<b>RSA Equity</b>	-	-	<b>27,447,127</b>	<b>1,659,308,009</b>	<b>1,686,755,135</b>
Abax Equity	-	-	5,732,038	361,025,332	366,757,371
Allan Gray Equity	-	-	8,940,553	491,742,336	500,682,890
Coronation Equity	-	-	6,691,096	460,253,030	466,944,126
ABSA ETF	-	-	6,083,438	346,287,310	352,370,749
<b>RSA Bonds</b>	-	-	<b>60,030,142</b>	<b>782,254,514</b>	<b>842,284,656</b>
Futuregrowth Yield Enhanced Special Bond Fund	-	-	30,885,188	396,512,117	427,397,306
Stanlib Bonds	-	-	29,144,954	385,742,396	414,887,350
<b>RSA Inflation Linked Bonds</b>	-	-	-	-	-
<b>RSA Property</b>	-	-	<b>8,131,893</b>	<b>275,375,616</b>	<b>283,507,510</b>
Sesfikile Property	-	-	3,438,955	142,248,906	145,687,860
Futuregrowth Community Property Fund	-	-	4,692,938	133,126,711	137,819,649
<b>RSA Cash</b>	-	<b>41,025,116</b>	<b>39,251,513</b>	<b>150,386,651</b>	<b>230,663,280</b>
SIM Cash Fund	-	41,025,116	34,049,678	17,813,687	92,888,480
Prescient Conservative TAA	-	-	5,201,835	-	5,201,835
Prescient Growth TAA	-	-	-	132,572,965	132,572,965
<b>International Equity</b>	-	-	<b>26,764,624</b>	<b>1,121,091,982</b>	<b>1,147,856,606</b>
Baillie Gifford Worldwide Global Alpha Fund	-	-	12,466,813	646,818,274	659,285,087
Vulcan Value Equity Fund	-	-	3,929,931	237,754,704	241,684,635
Ninety One Global Franchise Fund	-	-	10,367,880	236,519,004	246,886,884
<b>African Assets</b>	-	-	-	<b>50,711,296</b>	<b>50,711,296</b>
All Seasons Africa Fund	-	-	-	49,496,611	49,496,611
Ninety One Africa Equity	-	-	-	1,214,686	1,214,686
<b>Total</b>	<b>61,706,388</b>	<b>41,025,116</b>	<b>182,319,491</b>	<b>4,833,138,377</b>	<b>5,118,189,372</b>



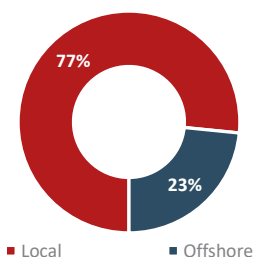
Manager and Product Information

R 5,118,189,371.85

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 61,706,388</b>		<b>1.2%</b>	
27Four Shariah Multi-Managed Balanced	61.71	1.2%	4.8%	5.9%	n/a	n/a	n/a	n/a
<b>Passive Global Balanced</b>					<b>R 814,704,501</b>		<b>15.9%</b>	
Sygnia Passive Global Balanced Conservative	14.48	0.3%	9.3%	9.4%	9.5%	10.0%	9.8%	7.8%
Sygnia Passive Global Balanced Growth	545.43	10.7%	10.1%	10.1%	10.5%	10.8%	8.9%	8.2%
ETFSA Passive Global Balanced Conservative	6.21	0.1%	9.5%	9.4%	9.4%	10.0%	9.7%	7.8%
ETFSA Passive Global Balanced Growth	248.58	4.9%	10.8%	10.1%	11.0%	10.8%	8.3%	8.2%
<b>RSA Equity</b>					<b>R 1,686,755,135</b>		<b>33.0%</b>	
Abax Equity	366.76	7.2%	7.6%	9.2%	10.0%	10.5%	-3.7%	-2.0%
Allan Gray Equity	500.68	9.8%	9.7%	9.2%	13.4%	10.5%	1.3%	-2.0%
Coronation Equity	466.94	9.1%	11.9%	9.2%	11.0%	10.5%	-1.0%	-2.0%
ABSA ETF	352.37	6.9%	5.8%	9.2%	10.5%	10.5%	3.0%	-2.0%
<b>RSA Bonds</b>					<b>R 842,284,656</b>		<b>16.5%</b>	
Futuregrowth Yield Enhanced Special Bond Fund	427.40	8.4%	8.7%	8.0%	8.7%	7.4%	7.5%	7.3%
Stanlib Bonds	414.89	8.1%	7.2%	7.2%	7.3%	7.4%	6.9%	7.3%
<b>RSA Inflation Linked Bonds</b>					<b>R 0</b>		<b>0.0%</b>	
<b>RSA Property</b>					<b>R 283,507,510</b>		<b>5.5%</b>	
Sesfikile Property	145.69	2.8%	1.8%	-0.1%	17.0%	17.5%	16.8%	16.5%
Futuregrowth Community Property Fund	137.82	2.7%	8.3%	-0.1%	9.2%	17.5%	9.4%	16.5%
<b>RSA Cash</b>					<b>R 230,663,280</b>		<b>4.5%</b>	
SIM Cash Fund	92.89	1.8%	6.1%	5.7%	6.2%	5.8%	8.3%	8.2%
Prescient Conservative TAA	5.20	0.1%	3.9%	n/a	n/a	n/a	n/a	n/a
Prescient Growth TAA	132.57	2.6%	5.9%	n/a	n/a	n/a	n/a	n/a
<b>International Equity</b>					<b>R 1,147,856,606</b>		<b>22.4%</b>	
Baillie Gifford Worldwide Global Alpha Fund	659.29	12.9%	12.9%	13.2%	3.6%	11.9%	17.9%	21.0%
Vulcan Value Equity Fund	241.68	4.7%	12.1%	11.6%	n/a	n/a	35.1%	21.0%
Ninety One Global Franchise Fund	246.89	4.8%	15.3%	13.9%	n/a	n/a	21.8%	21.0%
<b>African Assets</b>					<b>R 50,711,296</b>		<b>1.0%</b>	
All Seasons Africa Fund	49.50	1.0%	0.1%	0.8%	0.9%	1.2%	3.5%	17.1%
Ninety One Africa Equity	1.21	0.0%	-24.3%	0.8%	-30.8%	1.2%	-22.3%	17.1%



- 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

4,833,138,376.78

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 2023	4,979.2
Cash flow for current financial year	-154.1
Total Return current financial year net of fees	8.1
Total Current Portfolio Market Value	4,833.1

Return Objective

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

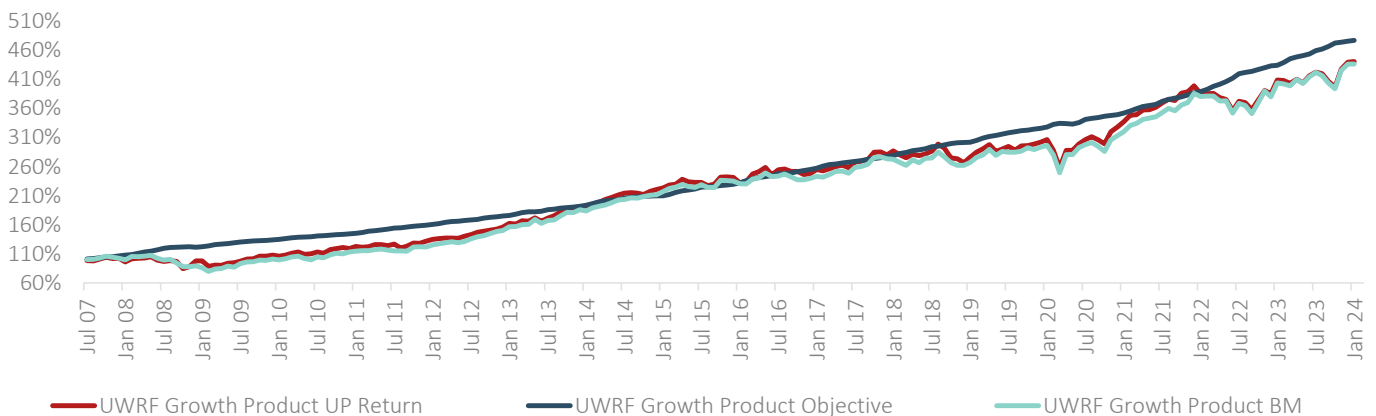
	Return %
Financial year return - net of asset management fees	0.20%
CPI + 4.5%	0.28%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	67%
Percentage positive monthly returns last 5 years	67%

\*July 2007

Performance (net of fees)

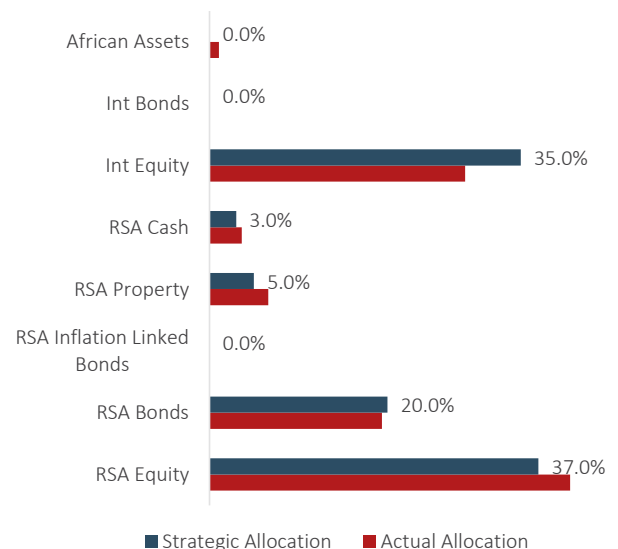


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.35%	9.88%	9.30%
Last 10 years	8.64%	9.44%	9.07%
Last 5 years	9.79%	9.59%	10.36%
Last 3 years	9.34%	10.65%	10.99%
1 year	7.72%	9.85%	8.29%
Ytd	0.20%	0.28%	0.26%
Last 3 months	11.03%	0.93%	11.03%
Last month	0.20%	0.28%	0.26%

\*July 2007

Look-through Asset Allocation



■ Strategic Allocation ■ Actual Allocation



Conservative Product - Summary

R

182,319,491.18

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 2023	183.3
Cash flow for current financial year	-2.1
Total Return current financial year net of fees	1.2
Total Current Portfolio Market Value	182.3

Return Objective

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

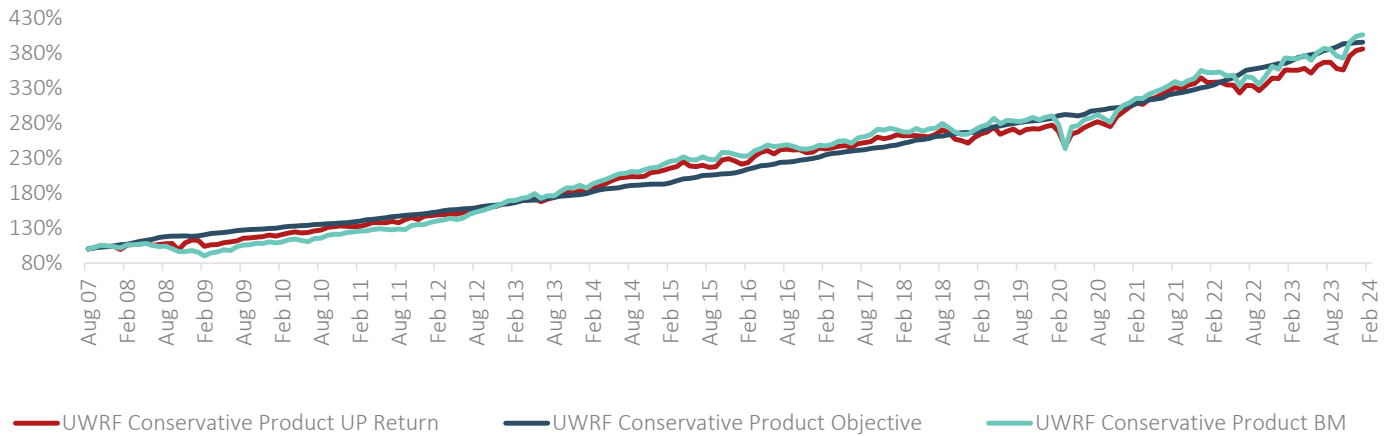
	Return %
Financial year return - net of asset management fees	0.64%
CPI + 3.0%	0.16%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	71%
Percentage positive monthly returns last 5 years	63%

\*August 2007

Performance (net of fees)

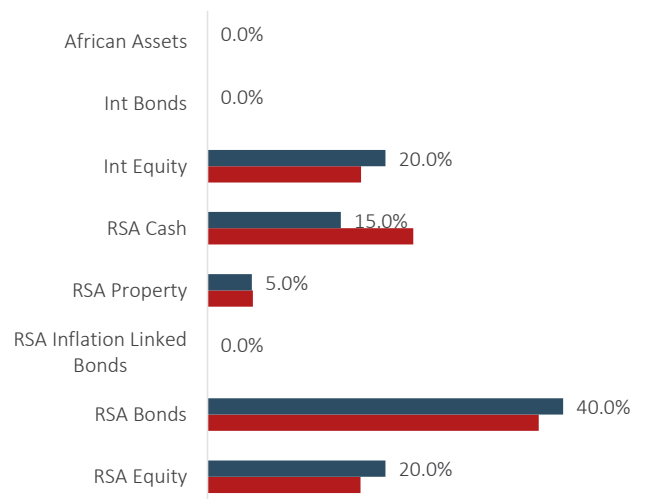


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.54%	8.70%	8.88%
Last 10 years	7.71%	8.24%	8.05%
Last 5 years	8.27%	8.22%	8.52%
Last 3 years	8.39%	9.07%	9.51%
1 year	8.40%	8.28%	8.90%
YtD	0.64%	0.16%	0.57%
Last 3 months	8.49%	0.56%	9.01%
Last month	0.64%	0.16%	0.57%

\*August 2007

Look-through Asset Allocation



■ Strategic Allocation ■ Actual Allocation



**Capital Protection - Summary**

R

41,025,115.93

**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 2023	51.4
Cash flow for current financial year	-10.8
Total Return current financial year net of fees	0.4
Total Current Portfolio Market Value	41.0

**Return Objective**

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

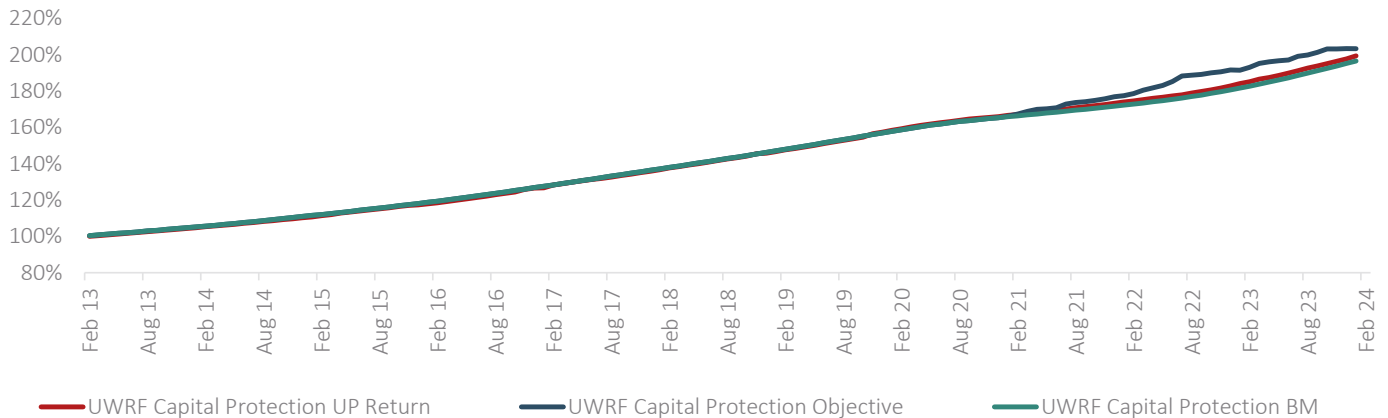
	Return %
Financial year return - net of asset management fees	0.82%
CPI + 1.0%	-0.01%

**Risk Objective**

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

\*February 2013

**Performance (net of fees)**

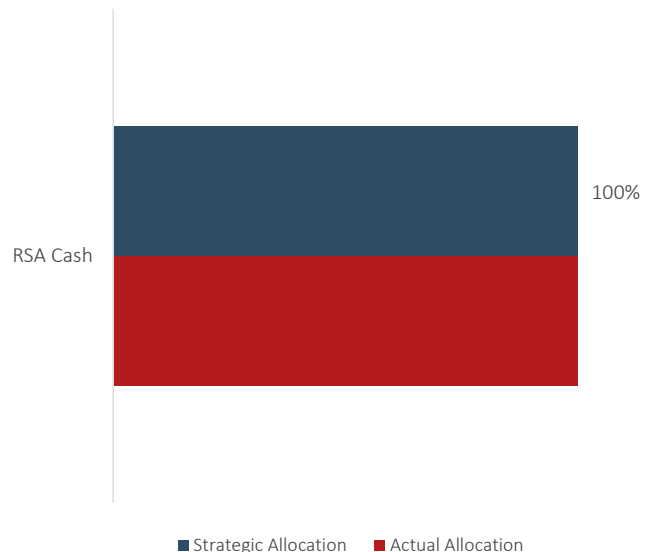


**Returns - Various Periods**

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.48%	6.67%	6.34%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.33%	6.69%	5.96%
Last 3 years	6.18%	6.96%	5.82%
1 year	8.33%	6.18%	8.18%
YtD	0.82%	-0.01%	0.70%
Last 3 months	2.17%	0.07%	2.09%
Last month	0.82%	-0.01%	0.70%

\*February 2013

**Asset Allocation**



■ Strategic Allocation ■ Actual Allocation





Shariah Product - Summary

R

61,706,387.96

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 2023	65.5
Cash flow for current financial year	-3.3
Total Return current financial year net of fees	-0.5
Total Current Portfolio Market Value	61.7

Return Objective

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

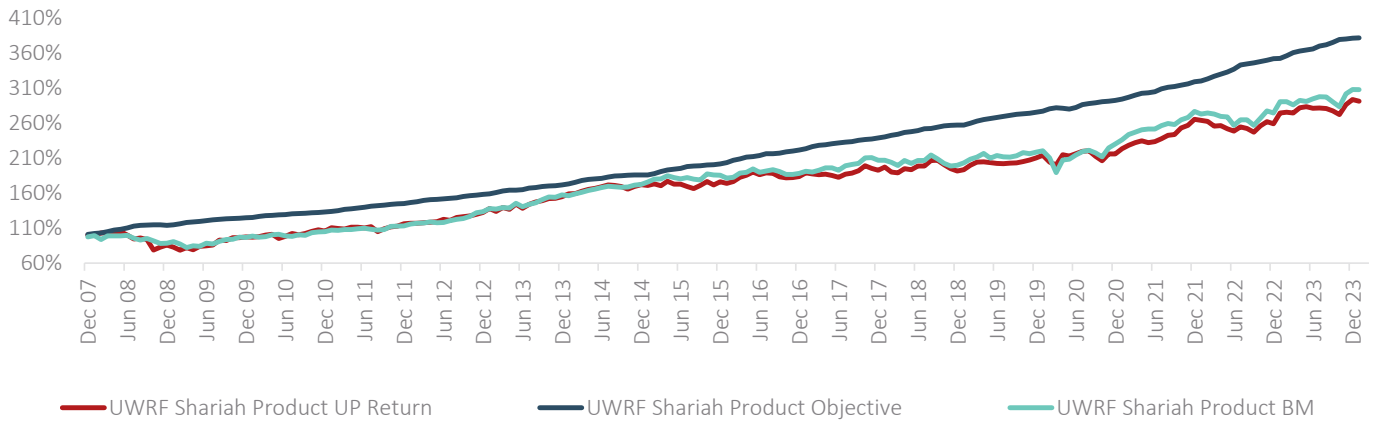
	Return %
Financial year return - net of asset management fees	-0.75%
CPI + 3.0%	0.16%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	61%
Percentage positive monthly returns last 5 years	62%

\*December 2007

Performance (net of fees)

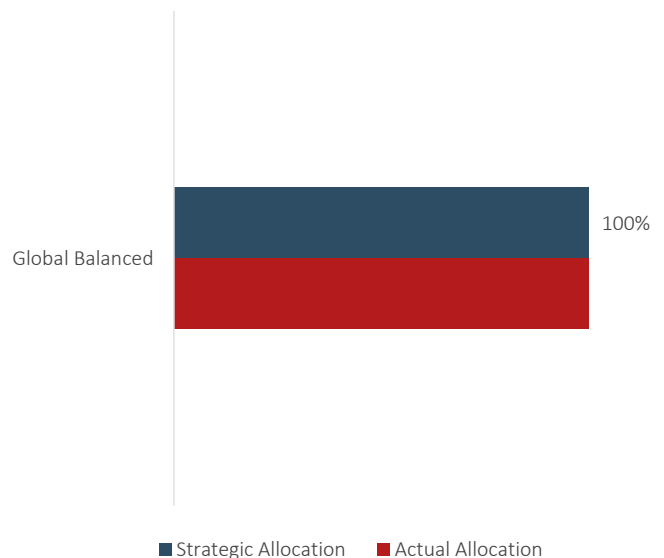


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.85%	8.65%	7.21%
Last 10 years	6.26%	9.44%	7.02%
Last 5 years	8.56%	8.22%	8.67%
Last 3 years	9.25%	9.07%	9.18%
1 year	6.18%	8.28%	5.82%
YtD	-0.75%	0.16%	-0.11%
Last 3 months	7.11%	0.56%	8.54%
Last month	-0.75%	0.16%	-0.11%

\*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

