

# UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 31 July 2024

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## Economic Commentary

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Global markets edged up in July as investors rotated out of mega-cap technology stocks into financial, industrial and materials stocks on rising concerns that the lofty growth expectations baked into the valuations of technology companies were not sustainable.

Inflation in the US slowed to 2.5% from a year earlier as declines in the prices of goods, especially cars and fuel, offset rises in the prices of services. With cooling inflation and a weaker jobs market, the Federal Reserve decided to leave interest rates unchanged in their July meeting (for the eighth consecutive time) but signalled that a September rate cut is in the cards as high interest rates have had the desired impact of cooling the economy. A softening economy is affecting business confidence with the latest Chicago Purchasing Managers' Index dropping to 45.3 points, from 47.4 points the previous month. The labour market too has softened, with job openings and hiring falling. Consumer confidence remains high, but their perceptions of the labour market are deteriorating with a survey from the Conference Board showing that the share of consumers who viewed jobs as "hard-to-get" rose to the highest level in more than three years. The housing market has softened, with annual price gains limited to 5.7%, despite mortgage rates having declined from highs earlier in the year.

Increased uncertainty regarding the sustainability of AI-related profits for global technology companies and a mixed bag of earnings reports led to heightened volatility across global markets. The MSCI World Index gained 1.8% in the month following a last-minute surge in semi-conductor stocks. Gains for the month were led by financials (up 5.8%), industrials (up 4.6%) and materials (up 3.6%) as communication services companies (down 3%) and other technology companies (down 2%) suffered losses. The tech-heavy NASDAQ index shed 1.6% for the month in which NVIDIA fell as much as 25% before staging a 13% rebound on the last day of trading. It appears that investors have become weary of the valuations of US technology companies and are seeking returns in other sectors and regions. Emerging markets lagged developed markets in July with gains of 0.4% led by losses in Taiwan and Argentina with the former impacted by the sell-off in semi-conductor stocks and the latter suffering from further currency depreciation. Global bonds rallied 2.8% in July as the yield on developed market government bonds declined steadily through the month on expectations of a decline in US interest rates. The yield on the US 10-year Treasury ended the month at 4.03%, down close to 50bps from the previous month. Global property stocks surged 5.7% as the sector looked forward to an imminent reduction in interest rates in the US.

In South Africa, prices rose 0.1% in June and annual inflation dipped to 5.1% with the main contributors being housing and utilities, food and transport. Producer prices dipped by 0.3%, with the annual rate of 4.6% suggesting that consumer prices should fall further in coming months as input prices decline. Retail sales growth meanwhile remains pedestrian, with consumption increasing just 0.8% from a year earlier in May as a drop in clothing purchases offset sales at general dealers, food, beverage and tobacco retailers and furniture stores. On the production side, manufacturing production declined 3.2% in May for an annual drop of 0.6% as factories produced fewer cars and parts, and less chemicals and petroleum products. Mining production also dropped in May with the annual growth rate pegged at zero due to a sharp decline in the production of coal and iron ore. South Africa posted a trade surplus of R24bn in June, the largest in over two years, as a drop in exports of PGM's, coal and vehicles was offset by a larger drop in imports. Despite inflation trending down, the SARB kept interest rates unchanged at the July MPC meeting noting that the risks to inflation remain to the upside due to elevated interest rates globally and large rises in administered prices locally.

Local markets grinded steadily higher on the back of improved investor sentiment and an improvement in the outlook for commodity producers. The All Share Index ended the month with gains of 3.9% as financials (up 5.2%) and resources (up 5.5%) surged. Industrials gained just 2% as rand-hedge stocks Prosus and Richemont declined. The rand strengthened slightly through the month, reaching a low of R17.95 against the dollar mid-month before retreating to end the month at R18.21 to the dollar. Local bond yields continued to fall as the currency gained and global rates declined. With the yield on the 10-year SA government bond ending the month at 9.4% (from 10% the previous month), the All Bond Index gained 4% for the month. Listed property stocks meanwhile jumped 4.4% on rising expectations for a cut in interest rates at the next monetary policy meeting.



## Total Fund Information

R 5,532,131,226.51

Total Fund Market Value at 31 December 2023	5,279,412,907.56
Cash flow for current financial year	-232,914,931.43
Total Return current financial year net of fees	485,633,250.38
Total Current Portfolio Market Value	5,532,131,226.51

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
<b>Global Balanced</b>	65,306,522	-	-	-	65,306,522
27Four Shariah Multi-Managed Balanced	65,306,522	-	-	-	65,306,522
<b>Passive Global Balanced</b>	-	-	22,526,180	873,567,663	896,093,843
Sygnia Passive Global Balanced Conservative	-	-	15,767,560	-	15,767,560
Sygnia Passive Global Balanced Growth	-	-	-	599,989,838	599,989,838
ETFSA Passive Global Balanced Conservative	-	-	6,758,620	-	6,758,620
ETFSA Passive Global Balanced Growth	-	-	-	273,577,825	273,577,825
<b>RSA Equity</b>	-	-	33,362,381	1,806,094,760	1,839,457,141
Abax Equity	-	-	8,728,892	405,780,300	414,509,191
Allan Gray Equity	-	-	6,615,214	486,240,802	492,856,016
Coronation Equity	-	-	11,101,211	520,333,859	531,435,069
SATRIX ETF	-	-	6,917,065	393,739,799	400,656,864
<b>RSA Bonds</b>	-	-	60,975,637	859,128,748	920,104,384
Futuregrowth Yield Enhanced Special Bond Fund	-	-	29,277,836	437,971,727	467,249,564
Stanlib Bonds	-	-	31,697,800	421,157,020	452,854,820
<b>RSA Inflation Linked Bonds</b>	-	-	-	-	-
<b>RSA Property</b>	-	-	9,698,700	294,425,679	304,124,379
Sesfikile Property	-	-	3,200,741	156,315,959	159,516,699
Futuregrowth Community Property Fund	-	-	6,497,959	138,109,720	144,607,679
<b>RSA Cash</b>	-	40,151,945	30,031,116	174,140,394	244,323,455
SIM Cash Fund	-	40,151,945	24,499,451	29,848,601	94,499,996
Prescient Conservative TAA	-	-	5,531,665	-	5,531,665
Prescient Growth TAA	-	-	-	144,291,793	144,291,793
<b>International Equity</b>	-	-	23,534,805	1,183,640,877	1,207,175,682
Baillie Gifford Worldwide Global Alpha Fund	-	-	10,607,719	676,797,729	687,405,448
Vulcan Value Equity Fund	-	-	4,391,454	265,676,149	270,067,603
Ninety One Global Franchise Fund	-	-	8,535,632	241,166,999	249,702,631
<b>African Assets</b>	-	-	-	55,545,822	55,545,822
All Seasons Africa Fund	-	-	-	54,481,672	54,481,672
Ninety One Africa Equity	-	-	-	1,064,150	1,064,150
<b>Total</b>	65,306,522	40,151,945	180,128,818	5,246,543,942	5,532,131,227



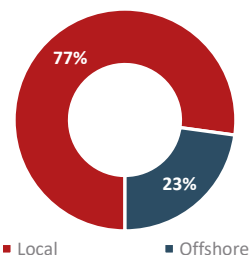
Manager and Product Information

R 5,532,131,226.51

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 65,306,522</b>		<b>1.2%</b>	
27Four Shariah Multi-Managed Balanced	65.31	1.2%	7.6%	9.9%	n/a	n/a	n/a	n/a
<b>Passive Global Balanced</b>					<b>R 896,093,843</b>		<b>16.2%</b>	
Sygnia Passive Global Balanced Conservative	15.77	0.3%	10.2%	9.5%	10.2%	10.0%	15.2%	14.6%
Sygnia Passive Global Balanced Growth	599.99	10.8%	11.2%	11.2%	11.1%	11.0%	15.0%	14.6%
ETFSA Passive Global Balanced Conservative	6.76	0.1%	10.4%	9.5%	9.8%	10.0%	13.8%	14.6%
ETFSA Passive Global Balanced Growth	273.58	4.9%	11.8%	11.2%	11.0%	11.0%	13.2%	14.6%
<b>RSA Equity</b>					<b>R 1,839,457,141</b>		<b>33.3%</b>	
Abax Equity	414.51	7.5%	9.5%	11.1%	10.7%	10.7%	8.0%	10.0%
Allan Gray Equity	492.86	8.9%	11.1%	11.1%	13.7%	10.7%	12.9%	10.0%
Coronation Equity	531.44	9.6%	13.6%	11.1%	11.2%	10.7%	16.2%	10.0%
SATRIX ETF	400.66	7.2%	8.1%	11.1%	10.7%	10.7%	16.3%	10.0%
<b>RSA Bonds</b>					<b>R 920,104,384</b>		<b>16.6%</b>	
Futuregrowth Yield Enhanced Special Bond Fund	467.25	8.4%	9.8%	9.0%	9.6%	8.7%	16.4%	15.6%
Stanlib Bonds	452.85	8.2%	8.4%	8.4%	8.8%	8.7%	15.2%	15.6%
<b>RSA Inflation Linked Bonds</b>					<b>R 0</b>		<b>0.0%</b>	
<b>RSA Property</b>					<b>R 304,124,379</b>		<b>5.5%</b>	
Sesfikile Property	159.52	2.9%	3.6%	1.9%	13.0%	12.9%	28.4%	28.5%
Futuregrowth Community Property Fund	144.61	2.6%	8.5%	1.9%	9.0%	12.9%	10.4%	28.5%
<b>RSA Cash</b>					<b>R 244,323,455</b>		<b>4.4%</b>	
SIM Cash Fund	94.50	1.7%	6.4%	6.0%	7.0%	6.6%	8.9%	8.6%
Prescient Conservative TAA	5.53	0.1%	10.5%	n/a	n/a	n/a	n/a	n/a
Prescient Growth TAA	144.29	2.6%	15.3%	n/a	n/a	n/a	n/a	n/a
<b>International Equity</b>					<b>R 1,207,175,682</b>		<b>21.8%</b>	
Baillie Gifford Worldwide Global Alpha Fund	687.41	12.4%	12.5%	13.6%	3.0%	11.8%	11.0%	17.2%
Vulcan Value Equity Fund	270.07	4.9%	13.6%	12.4%	n/a	n/a	28.8%	17.2%
Ninety One Global Franchise Fund	249.70	4.5%	13.5%	14.4%	n/a	n/a	12.7%	17.2%
<b>African Assets</b>					<b>R 55,545,822</b>		<b>1.0%</b>	
All Seasons Africa Fund	54.48	1.0%	2.1%	-2.8%	3.1%	-4.0%	8.4%	-3.2%
Ninety One Africa Equity	1.06	0.0%	-24.2%	-2.8%	-36.0%	-4.0%	-34.3%	-3.2%



- 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

5,246,543,942.08

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	-198.2
Total Return current financial year net of fees	465.6
Total Current Portfolio Market Value	5,246.5

Return Objective

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

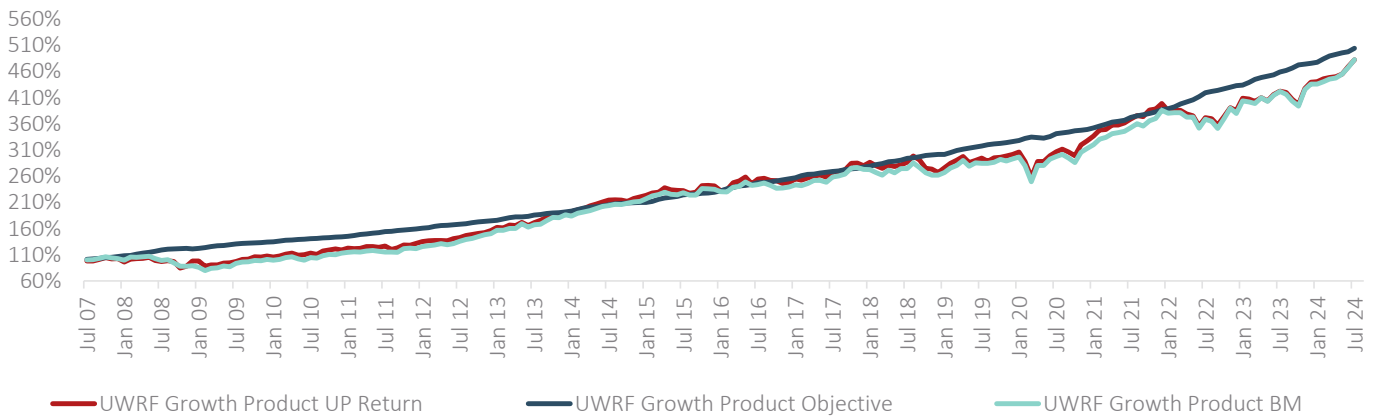
	Return %
Financial year return - net of asset management fees	9.72%
CPI + 4.5%	6.05%

Risk Objective

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

\*July 2007

Performance (net of fees)

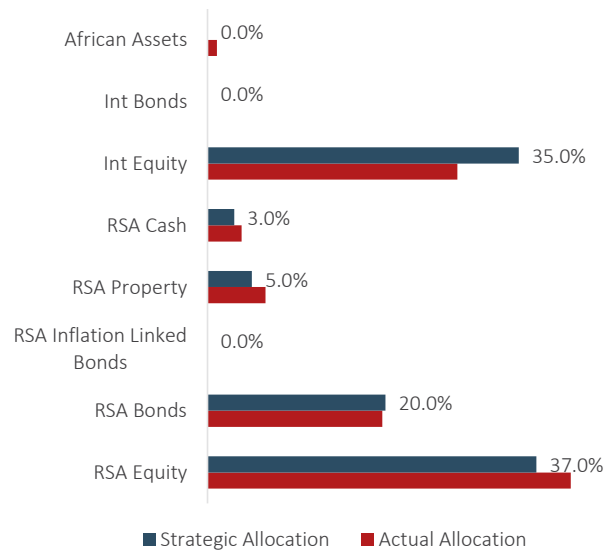


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.65%	9.93%	9.66%
Last 10 years	8.46%	9.39%	9.02%
Last 5 years	10.37%	9.67%	11.17%
Last 3 years	9.29%	10.64%	11.03%
1 year	14.24%	9.86%	14.55%
Ytd	9.72%	6.05%	10.73%
Last 3 months	7.13%	2.33%	7.64%
Last month	2.85%	1.32%	3.08%

\*July 2007

Look-through Asset Allocation



Conservative Product - Summary

R

180,128,818.28

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	-17.9
Total Return current financial year net of fees	14.7
Total Current Portfolio Market Value	180.1

Return Objective

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

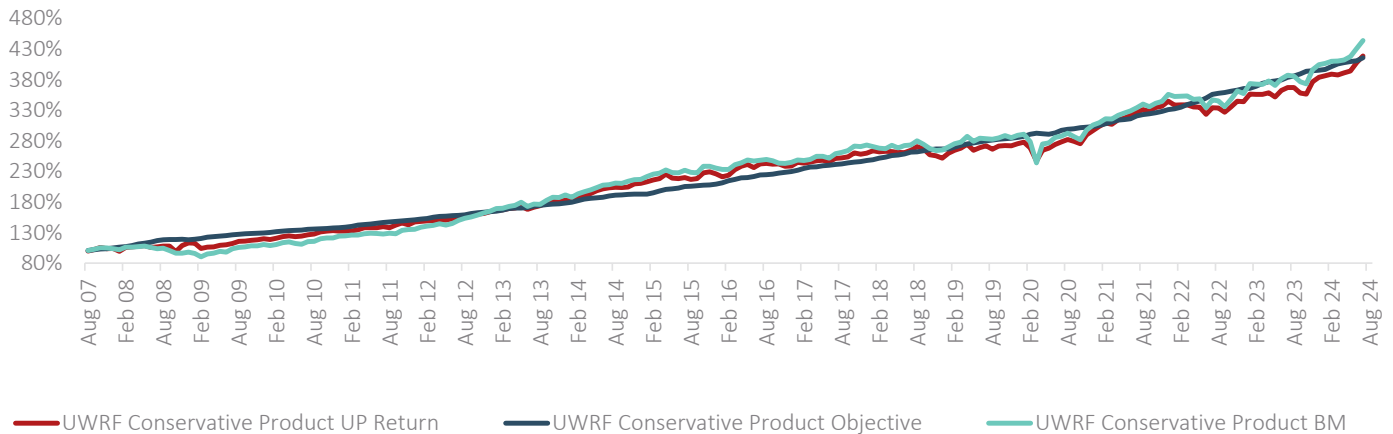
	Return %
Financial year return - net of asset management fees	9.04%
CPI + 3.0%	5.16%

Risk Objective

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

\*August 2007

Performance (net of fees)

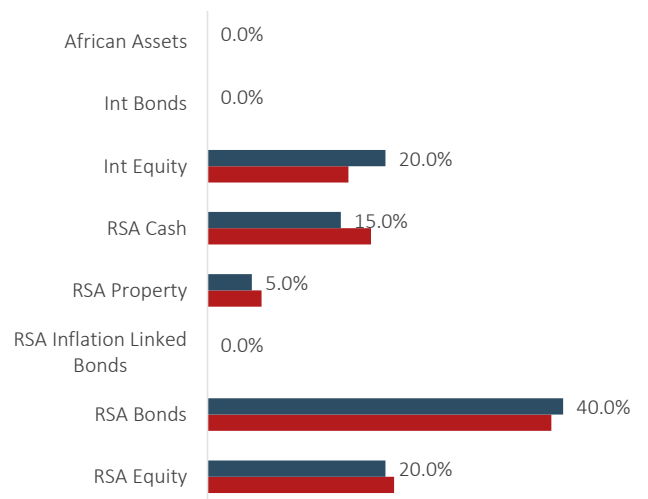


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	8.79%	8.74%	9.16%
Last 10 years	7.51%	8.16%	7.86%
Last 5 years	9.01%	8.25%	9.38%
Last 3 years	8.67%	9.06%	9.96%
1 year	14.00%	8.29%	14.63%
YtD	9.04%	5.16%	9.77%
Last 3 months	7.09%	1.96%	7.68%
Last month	2.69%	1.20%	3.04%

\*August 2007

Look-through Asset Allocation



■ Strategic Allocation ■ Actual Allocation



Capital Protection - Summary

R

40,151,944.51

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	-13.5
Total Return current financial year net of fees	2.2
Total Current Portfolio Market Value	40.2

Return Objective

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

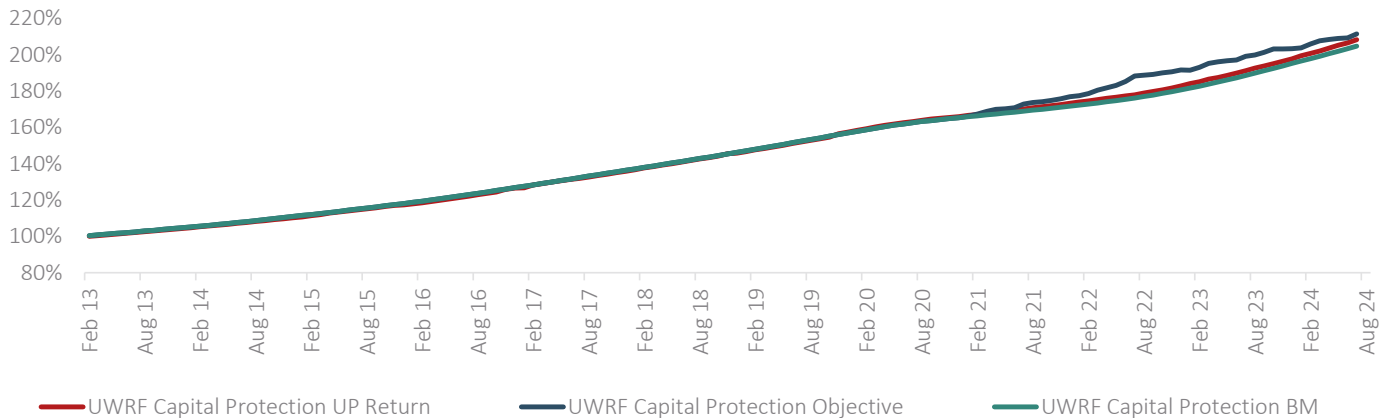
	Return %
Financial year return - net of asset management fees	5.32%
CPI + 1.0%	3.97%

Risk Objective

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

\*February 2013

Performance (net of fees)

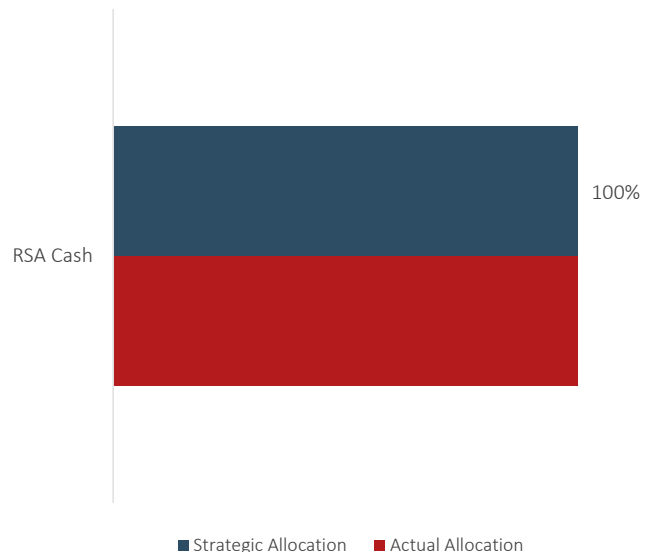


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.59%	6.73%	6.43%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.51%	6.76%	6.08%
Last 3 years	6.98%	6.95%	6.62%
1 year	8.90%	6.19%	8.56%
YtD	5.32%	3.97%	4.89%
Last 3 months	2.25%	1.47%	2.08%
Last month	0.82%	1.04%	0.70%

\*February 2013

Asset Allocation



■ Strategic Allocation ■ Actual Allocation





Shariah Product - Summary

R

65,306,521.63

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	3.1
Total Current Portfolio Market Value	65.3

Return Objective

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

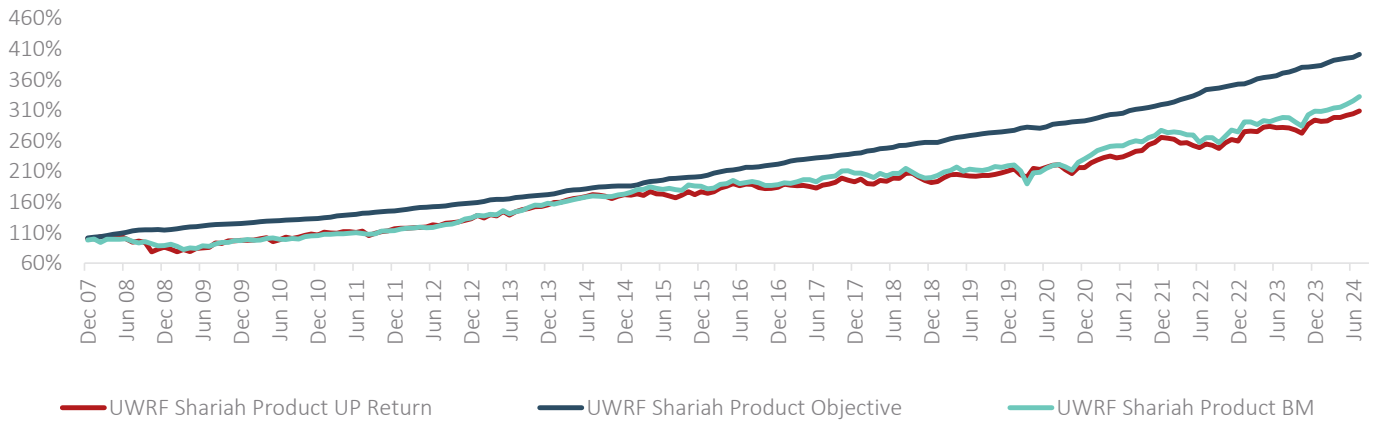
	Return %
Financial year return - net of asset management fees	5.01%
CPI + 3.0%	5.16%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	63%
Percentage positive monthly returns last 5 years	67%

\*December 2007

Performance (net of fees)

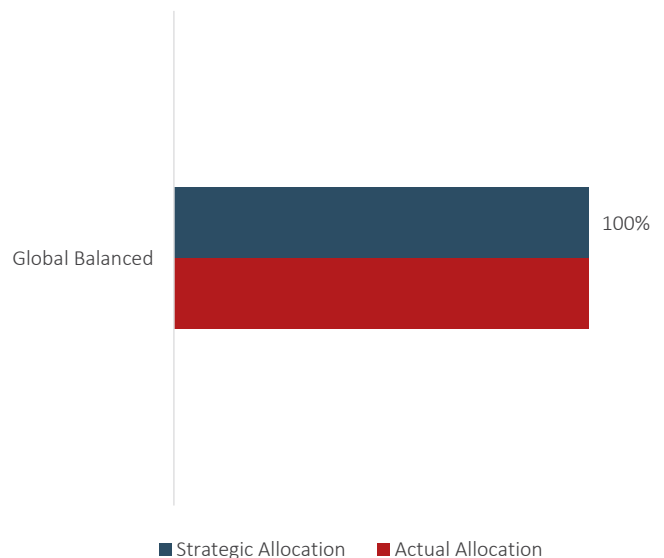


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	7.00%	8.70%	7.47%
Last 10 years	6.04%	9.39%	6.94%
Last 5 years	8.84%	8.25%	9.39%
Last 3 years	9.04%	9.06%	8.95%
1 year	9.55%	8.29%	11.49%
YtD	5.01%	5.16%	7.75%
Last 3 months	3.56%	1.96%	5.44%
Last month	1.51%	1.20%	2.13%

\*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

