

UNIVERSITY OF THE WITWATERSRAND RETIREMENT FUND

Monthly Report as at 30 September 2024

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Economic Commentary

The start of the interest rate cutting cycle in the US combined with expectations of a soft landing, as well as new stimulus measures by China, drove markets higher in September, despite an escalation of geo-political tensions.

As the world widely expected the US to start cutting rates in September, investors were divided on the size of the first rate cut and the frequency of further cuts. The Federal Reserve ultimately decided to start with a large 50bps cut, noting that inflation was moderating, and the labour market was showing signs of weakening. The forecast is for a further 50bps of rate cuts in the fourth quarter, a 1% reduction in 2025 and a further 0.5% reduction in 2026 to bring the Fed Funds Rate close to the 3% neutral rate. Economic growth continues to rise steadily, with the Atlanta Fed's high frequency models estimating 3% growth in the third quarter based on continuing strength in consumer spending, which accounts for 70% of US economic activity. The US job market has been showing subtle signs of softening, despite maintaining relatively strong overall numbers. In August, the unemployment rate dipped to 4.2%, partially reversing a July increase to 4.3%. While job counts have continued to rise, much of the increase in unemployment has come from longer job searches for new entrants rather than widespread layoffs. Recent data suggests a gradual cooling of the job market as hiring demand has continued to slow, with job openings returning to pre-pandemic levels. Although layoffs remain low, they have been gradually increasing – a trend that is unusual outside of recessionary periods. Survey data also indicates that consumers are less confident in the job market than before, and wage growth has been decelerating.

Global markets rose through the month as the US cut interest rates by a hefty 0.5% and investors priced in further rate cuts as the US economy is expected to slow, but not stall. The MSCI World Index ended the month with a gain of 1.9%, as lower interest rates drove gains in consumer discretionary stocks and stimulus measures in China supported materials stocks. Energy stocks declined as lower oil prices weighed on the sector, while healthcare stocks retreated on the back of a shift to more cyclical sectors with higher growth. The US' S&P 500 gained 2.1% to record its fourth quarterly gain and boost year-to-date returns to 22%. The tech-heavy NASDAQ gained 1.2% for the month as investors continued to lighten their technology exposure after significant gains earlier in the year. Emerging markets surged in September with gains of 6.7% as stimulus measures in China drove Chinese stocks up 17% and renewed interest in materials stocks supported gains in South Africa, Thailand and Malaysia. Global bonds gained 1.7% in September as the yield on developed market government bonds dropped sharply on expectations of further rate cuts. Global property stocks added 3.2% as the sector priced in lower interest rates in the US and a stable growth outlook.

In South Africa, inflation printed below the mid-point of the SARB's target band for the first time since April 2021 as prices rose just 0.1% in August and annual inflation dipped to 4.4%. Lower price increases for transport, housing and restaurants and hotels were the main contributors to the lower reading. The SARB's forecast suggests this progress will be sustained, with inflation expected to remain below the 4.5% target through to the end of the forecast horizon in 2026. Producer prices dipped by 0.3%, with the annual rate of 2.8% supporting the SARB's view that consumer prices should fall further in coming months. Retail sales growth meanwhile slowed in July, with consumption increasing 2% from a year earlier, as a sharp fall in sales of hardware, paint and glass weighed on overall consumption activity. Improved sentiment thanks to the GNU, as well as withdrawals allowed under the recently implemented two-pot system, should however boost retail sales in the fourth quarter. On the production side, manufacturing production reversed course and increased 1.6% in July for an annual increase of 1.7% as the increased production of food and beverages and metal products and machinery offset declines in the production of vehicles and components. Investments by global car manufacturers including BAIC and Stellantis should however boost local manufacturing capacity over time. With inflation on a downward trajectory and the rand relatively stable, the SARB's Monetary Policy Committee decided to cut local interest rates by 0.25% at the September MPC meeting. Further interest rate cuts are expected with the SARB signalling that a neutral rate of 7% (i.e. four more 0.25% cuts) would be appropriate given the economic backdrop and inflation risks.

Local markets followed emerging markets higher in September as investor sentiment improved. The All Share Index gained 4%, driven by gains across most sectors except healthcare. A 14% surge in Naspers and Prosus on the back of renewed investor interest in stocks exposed to China lifted the Industrials sector to gains of 5% while Resources stocks gained 4% as commodity prices rose on expectations of an improvement in Chinese demand. Financial stocks gained just 2.5% as strength in insurers was offset by lower returns from banks. The rand strengthened 3% as sentiment continued to improve and ended the month at R17.29 to the dollar. Local bond yields continued to fall as the currency gained and global yields declined. The All Bond Index gained 3.9% for the month as yields on the 10 year government bond fell below 10% as inflation continued to decline. Listed property stocks meanwhile jumped 5% as sentiment towards the sector continued to improve.



Total Fund Information

R 5,717,642,227.10

Total Fund Market Value at 31 December 2023	5,279,412,907.56
Cash flow for current financial year	-261,333,575.00
Total Return current financial year net of fees	699,562,894.54
Total Current Portfolio Market Value	5,717,642,227.10

	UWRF Shariah Product	UWRF Capital Protection	UWRF Conservative Product	UWRF Growth Product	Total
Global Balanced	66,533,742	-	-	-	66,533,742
27Four Shariah Multi-Managed Balanced	66,533,742	-	-	-	66,533,742
Passive Global Balanced	-	-	23,463,164	904,118,649	927,581,813
Sygnia Passive Global Balanced Conservative	-	-	16,427,191	-	16,427,191
Sygnia Passive Global Balanced Growth	-	-	-	621,600,850	621,600,850
ETFSA Passive Global Balanced Conservative	-	-	7,035,973	-	7,035,973
ETFSA Passive Global Balanced Growth	-	-	-	282,517,799	282,517,799
RSA Equity	-	-	35,010,644	1,820,178,559	1,855,189,203
Abax Equity	-	-	9,295,397	410,900,373	420,195,770
Allan Gray Equity	-	-	6,917,310	487,399,193	494,316,504
Coronation Equity	-	-	11,586,998	511,410,969	522,997,966
SATRIX Multi-Factor Portfolio	-	-	7,210,940	410,468,024	417,678,963
RSA Bonds	-	-	65,398,285	921,137,599	986,535,884
Futuregrowth Yield Enhanced Special Bond Fund	-	-	31,219,065	467,010,870	498,229,935
Stanlib Bonds	-	-	34,179,219	454,126,729	488,305,948
RSA Inflation Linked Bonds	-	-	-	-	-
RSA Property	-	-	10,225,948	318,347,191	328,573,139
Sesfikile Property	-	-	3,661,718	178,828,936	182,490,655
Futuregrowth Community Property Fund	-	-	6,564,230	139,518,254	146,082,484
RSA Cash	-	38,651,802	28,890,685	230,006,052	297,548,539
SIM Cash Fund	-	38,651,802	23,141,560	75,783,595	137,576,957
Prescient Conservative TAA	-	-	5,749,125	-	5,749,125
Prescient Growth TAA	-	-	-	154,222,457	154,222,457
International Equity	-	-	23,279,836	1,176,698,704	1,199,978,540
Baillie Gifford Worldwide Global Alpha Fund	-	-	10,765,202	686,845,512	697,610,714
Vulcan Value Equity Fund	-	-	4,225,953	255,663,576	259,889,528
Ninety One Global Franchise Fund	-	-	8,288,681	234,189,617	242,478,298
African Assets	-	-	-	55,701,368	55,701,368
All Seasons Africa Fund	-	-	-	54,689,911	54,689,911
Ninety One Africa Equity	-	-	-	1,011,457	1,011,457
Total	66,533,742	38,651,802	186,268,562	5,426,188,121	5,717,642,227



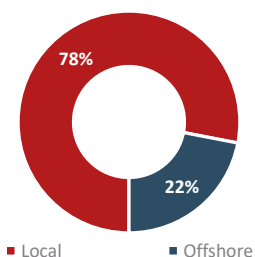
Manager and Product Information

R 5,717,642,227.10

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 66,533,742	1.2%		
27Four Shariah Multi-Managed Balanced	66.53	1.2%	8.1%	12.1%	n/a	n/a	12.6%	18.8%
Passive Global Balanced					R 927,581,813	16.2%		
Sygnia Passive Global Balanced Conservative	16.43	0.3%	10.8%	10.1%	11.4%	11.3%	23.3%	23.1%
Sygnia Passive Global Balanced Growth	621.60	10.9%	11.6%	11.6%	12.0%	12.1%	23.9%	24.1%
ETFSA Passive Global Balanced Conservative	7.04	0.1%	11.0%	10.1%	11.4%	11.3%	21.8%	23.1%
ETFSA Passive Global Balanced Growth	282.52	4.9%	12.1%	11.6%	12.8%	12.1%	22.0%	24.1%
RSA Equity					R 1,855,189,203	32.4%		
Abax Equity	420.20	7.3%	10.6%	11.9%	12.9%	12.4%	23.2%	25.4%
Allan Gray Equity	494.32	8.6%	11.7%	11.9%	14.0%	12.4%	21.6%	25.4%
Coronation Equity	523.00	9.1%	14.1%	11.9%	12.1%	12.4%	27.8%	25.4%
SATRIX Multi-Factor Portfolio	417.68	7.3%	8.7%	11.9%	11.5%	12.4%	26.0%	25.4%
RSA Bonds					R 986,535,884	17.3%		
Futuregrowth Yield Enhanced Special Bond Fund	498.23	8.7%	10.9%	10.1%	12.1%	11.1%	28.4%	26.1%
Stanlib Bonds	488.31	8.5%	9.8%	9.4%	11.6%	11.1%	28.4%	26.1%
RSA Inflation Linked Bonds					R 0	0.0%		
RSA Property					R 328,573,139	5.7%		
Sesfikile Property	182.49	3.2%	6.3%	4.6%	15.6%	15.3%	51.2%	51.0%
Futuregrowth Community Property Fund	146.08	2.6%	8.4%	4.6%	9.0%	15.3%	10.4%	51.0%
RSA Cash					R 297,548,539	5.2%		
SIM Cash Fund	137.58	2.4%	6.5%	6.1%	7.2%	6.9%	9.1%	8.5%
Prescient Conservative TAA	5.75	0.1%	14.8%	n/a	n/a	n/a	n/a	n/a
Prescient Growth TAA	154.22	2.7%	23.2%	n/a	n/a	n/a	n/a	n/a
International Equity					R 1,199,978,540	21.0%		
Baillie Gifford Worldwide Global Alpha Fund	697.61	12.2%	12.4%	13.0%	3.6%	11.2%	18.7%	18.3%
Vulcan Value Equity Fund	259.89	4.5%	12.2%	11.9%	n/a	n/a	26.9%	18.3%
Ninety One Global Franchise Fund	242.48	4.2%	12.1%	13.5%	n/a	n/a	10.3%	18.3%
African Assets					R 55,701,368	1.0%		
All Seasons Africa Fund	54.69	1.0%	2.1%	-2.5%	1.8%	-5.0%	7.5%	-5.8%
Ninety One Africa Equity	1.01	0.0%	-24.2%	-2.5%	-37.7%	-5.0%	-26.5%	-5.8%



- 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

5,426,188,121.47

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	-223.1
Total Return current financial year net of fees	670.2
Total Current Portfolio Market Value	5,426.2

Return Objective

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

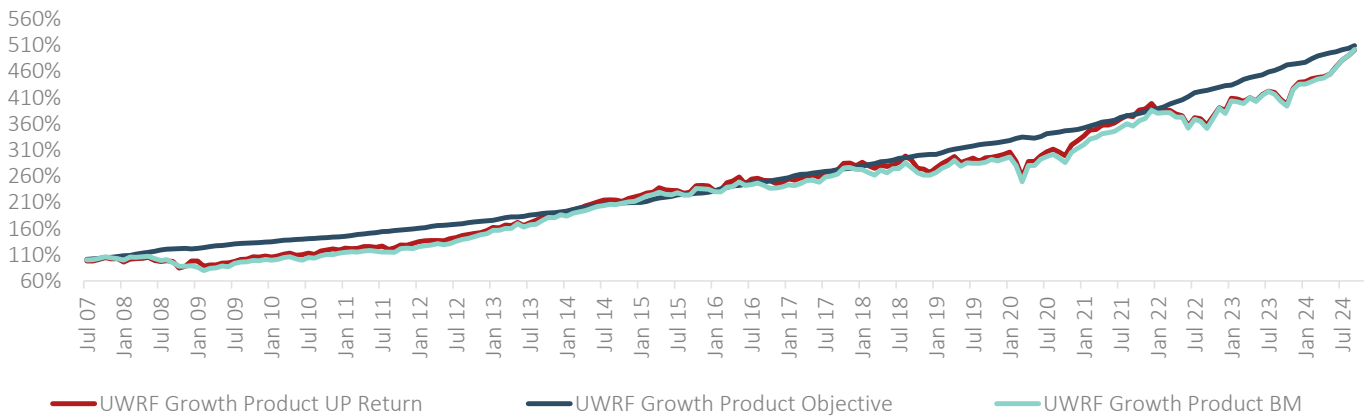
	Return %
Financial year return - net of asset management fees	13.99%
CPI + 4.5%	7.10%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	68%
Percentage positive monthly returns last 5 years	70%

*July 2007

Performance (net of fees)

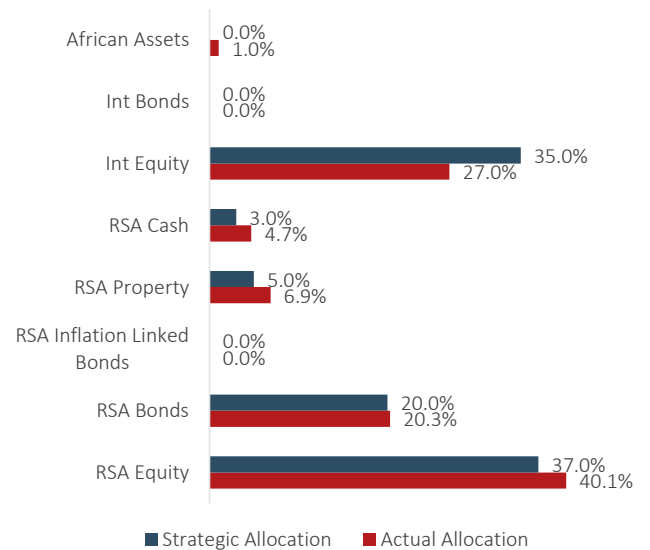


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.84%	9.95%	9.84%
Last 10 years	8.86%	9.38%	9.30%
Last 5 years	11.16%	9.63%	11.81%
Last 3 years	10.28%	10.51%	12.08%
1 year	23.21%	9.16%	24.14%
Ytd	13.99%	7.10%	14.83%
Last 3 months	6.85%	2.33%	6.90%
Last month	2.26%	1.06%	2.16%

*July 2007

Look-through Asset Allocation



Conservative Product - Summary

R

186,268,561.92

Investment Objective

To target stable returns over a medium-term investment horizon with low volatility and a low probability of negative returns.

Total Portfolio Market Value at 31 December 2023	R'm	183.3
Cash flow for current financial year		-19.6
Total Return current financial year net of fees		22.6
Total Current Portfolio Market Value		186.3

Return Objective

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

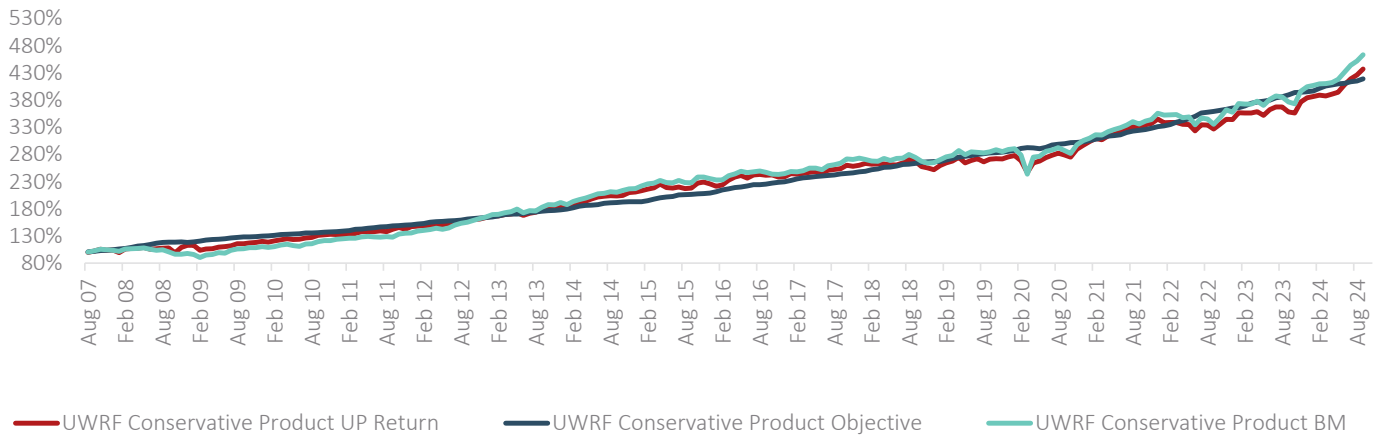
Financial year return - net of asset management fees	Return %	13.81%
CPI + 3.0%		5.95%

Risk Objective

Percentage positive monthly returns since inception*	Return %	71%
Percentage positive monthly returns last 5 years		65%

*August 2007

Performance (net of fees)

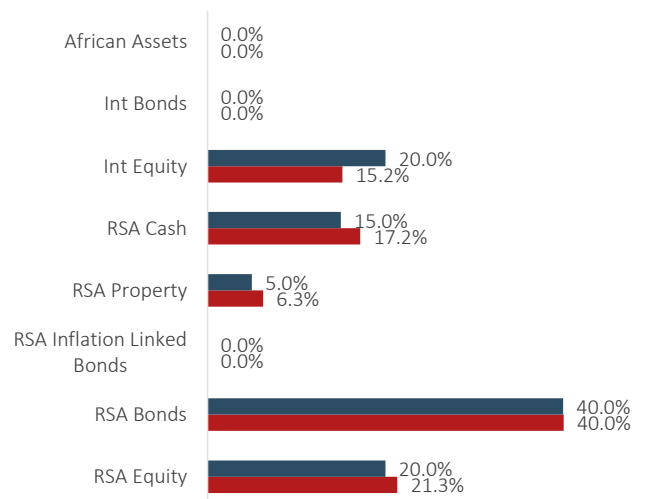


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	9.02%	8.75%	9.39%
Last 10 years	7.94%	8.14%	8.21%
Last 5 years	10.01%	8.19%	10.24%
Last 3 years	9.99%	8.93%	11.31%
1 year	22.01%	7.59%	23.08%
YtD	13.81%	5.95%	14.53%
Last 3 months	7.18%	1.96%	7.50%
Last month	2.52%	0.94%	2.49%

*August 2007

Look-through Asset Allocation



■ Strategic Allocation ■ Actual Allocation



Capital Protection - Summary

R

38,651,802.18

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	-15.6
Total Return current financial year net of fees	2.8
Total Current Portfolio Market Value	38.7

Return Objective

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

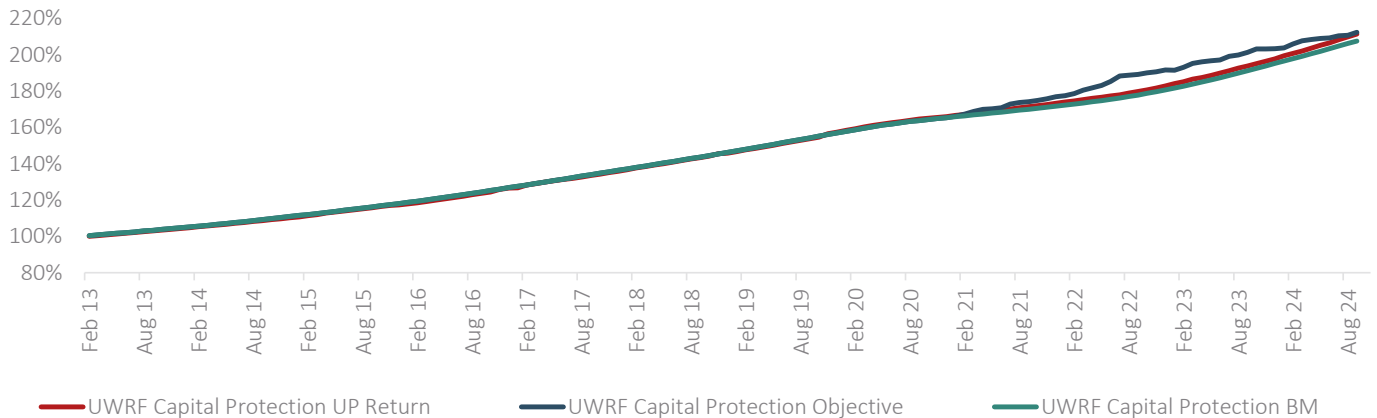
	Return %
Financial year return - net of asset management fees	6.90%
CPI + 1.0%	4.41%

Risk Objective

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

*February 2013

Performance (net of fees)

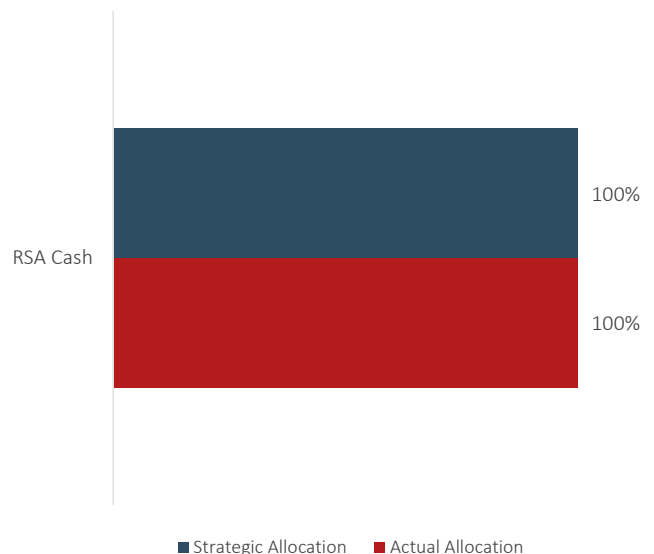


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	6.63%	6.67%	6.46%
Last 10 years	n/a	n/a	n/a
Last 5 years	6.57%	6.61%	6.12%
Last 3 years	7.23%	6.83%	6.87%
1 year	9.09%	5.51%	8.55%
YtD	6.90%	4.41%	6.33%
Last 3 months	2.34%	1.46%	2.07%
Last month	0.76%	0.77%	0.67%

*February 2013

Asset Allocation



■ Strategic Allocation ■ Actual Allocation



Shariah Product - Summary

R

66,533,741.53

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	-3.0
Total Return current financial year net of fees	4.0
Total Current Portfolio Market Value	66.5

Return Objective

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

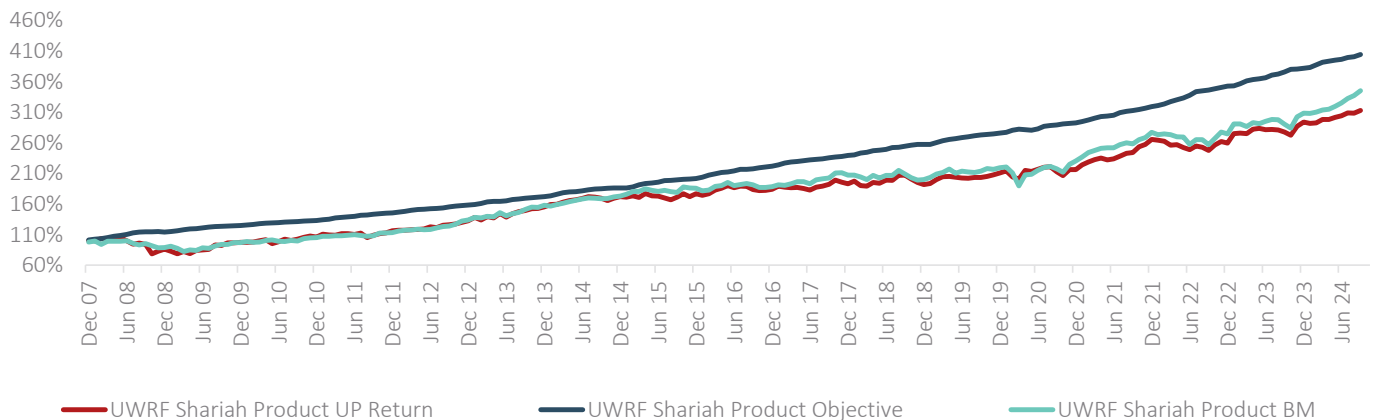
	Return %
Financial year return - net of asset management fees	6.40%
CPI + 3.0%	5.95%

Risk Objective

	Return %
Percentage positive monthly returns since inception*	62%
Percentage positive monthly returns last 5 years	65%

*December 2007

Performance (net of fees)

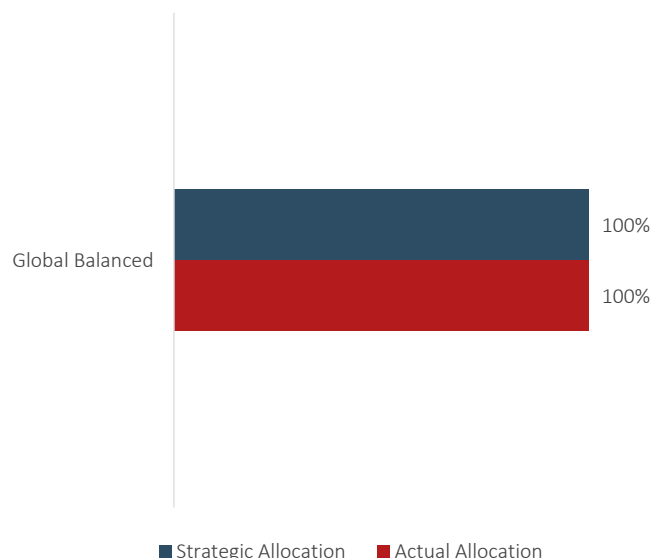


Returns - Various Periods

	Portfolio (net)	Investment Objective	Strategic Benchmark
Since Inception *	7.05%	8.70%	7.68%
Last 10 years	6.32%	9.38%	7.43%
Last 5 years	9.00%	8.19%	10.07%
Last 3 years	8.65%	8.93%	10.14%
1 year	12.64%	7.59%	18.83%
YtD	6.40%	5.95%	11.93%
Last 3 months	2.86%	1.96%	6.10%
Last month	1.43%	0.94%	2.38%

*December 2007

Asset Allocation



■ Strategic Allocation ■ Actual Allocation

