

Fund Information
Inception Date: 01 May 2003

Fund Size: R 587 million

Benchmark

CPI+5%

Asset Manager Allocation

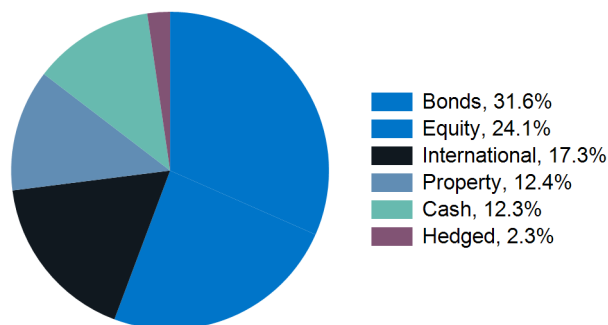
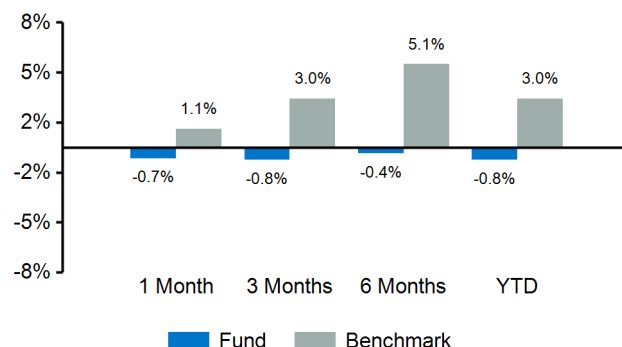
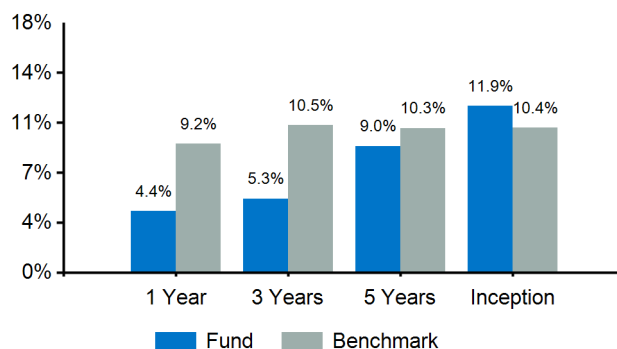
Manager	Asset Class	Exposure
Sentio Absolute	Absolute Return	10.0%
SMM Flexible Equity (Foord)	Absolute Return	11.9%
SMM Flexible Equity (Truffle)	Absolute Return	10.2%
SMMI Flexible Income (SIM)	Absolute Return	13.8%
Truffle Flexible Property	Absolute Return	8.3%
SMM Inflation Linked Bonds	Bond	2.1%
Prescient Yield Quantplus	Cash	2.0%
SMMI Cash	Cash	0.6%
Coronation Flexible Income	Flexible Income	14.4%
Blue Ink Fixed Income	Fund of Hedge Fund	2.3%
SIM Active Income	Income	9.2%
Blackrock Dev World Equity	International Equity	13.8%
Satrix Property Tracker	Property	1.4%

Comments

Global equity markets stumbled in March as a US tech sell-off and a potential trade war dragged equities lower globally. The US Fed's interest rate-setting meeting and a revival of trade war fears overshadowed most other economic news in the month, with the US equity market shifting lower in response to the 0.25% interest rate hike. The US manufacturing ISM index has been sending robust signals about economic growth and factory activity, reaching the highest level in the business cycle. However, the US 10-year yield remains range bound, after expectations that it would push through 3%. Recent PMI surveys for key emerging and developed market economies suggest that the speed of the synchronised global recovery is decelerating, but only gradually. Information technology stocks accounted for -0.64% in dollars of the MSCI World index total return in March. The MSCI World index delivered -2.41% in dollars and -2.04% in rands. The MSCI Emerging Market index fared marginally better, delivering -2.03% in dollars and -1.66% in rands. The risk of a trade war drove investor risk aversion, and developed market bonds measured by the JP Morgan Global Aggregate delivered 1.19% in dollars and 1.58% in rands. Also, the JP Morgan EM Bonds index underperformed its developed market counterparts, delivering 0.70% in dollars and 1.09% in rands. As interest-bearing instruments benefited during the month, the EPRA/NAREIT Developed Markets Property index rallied some 2.48% in dollars and 2.87% in rands. The local economy expanded 1.3% in 2017 as growth accelerated for the first time in four years, exiting a slowdown that endangered the country's credit rating. The new president has inherited a stronger economy than many had thought as he seeks to tackle corruption and reverse policies seen as hostile to investment. South Africa now stands in sight of escaping weak growth that has been persistent since 2008. Post the "Ramaphosa factor" South Africa has experienced a healthy pull-back in risk assets, which was triggered by international markets. South Africa avoided a further downgrade after Moody's kept the country at investment grade. Their outlook remains stable, balancing the growth potential for the economy against the risks of continued infighting in the ANC. The SA Reserve Bank voted to cut the benchmark rate to 6.5%, after judging that inflation will remain low

Fund Objective

The Fund aims to beat the inflation rate by at least 5% per annum over any rolling 3 year period, and to provide positive returns over any rolling 12 month period.

Asset Allocation

Short-term Returns

Long-term Returns

Contact

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DISCLAIMER: Performance figures are gross of multi manager fees, gross of fixed fees charged by investment managers and net of any performance fees (where applicable) charged by investment managers. Performance figures for periods greater than 12 months are annualised. All data shown is at the month end. Changes in currency rates of ex-change may cause the value of your investment to fluctuate. Past performance is not necessarily a guide to the future returns. The value of investments and the income from them may go down as well as up and are not guaranteed. You may not get back the amount you invest. The underlying type of investments must comply with the type of instruments as allowed by the LTIA and the portfolio must comply with Regulation 28 of the Pension Fund.

while growth revives faster than expected. The ALSI index was down 4.18% in rands largely driven by the negative contribution to total return from the consumer discretionary and consumer staples sectors. Naspers was the largest detractor and its contribution to total return for the month was -2.24%. The sell-off in Naspers followed the announcement it would be selling 2% of its shareholding in Tencent. The ALBI delivered 2.07% in rands, and South African benchmark yields fell to the lowest level in almost three years and the rand extended gains after the credit ratings announcement. Local inflation-linked bonds outperformed its sovereign counterparts, delivering 4.92% in rands. The local property market saw a reversal in recent performance this year, delivering -0.96% in rands. SA cash delivered 0.60% in rands for March.

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