

Stellenbosch University Retirement Fund (SURF)

SMMI Conservative Absolute Return Portfolio Factsheet June 2024

Period ending: 30 June 2024

Portfolio size (R'million): 580.59

Portfolio Objective:

Primary Objective The primary investment objective of the SMMI Conservative Absolute Return Portfolio is to deliver a real return of 3% p.a. net of fees over three year measurement periods.

Secondary Objective The secondary investment objective of the SMMI Conservative Absolute Return Portfolio is to avoid a capital loss over any 12-month period.

Risk Profile: Moderate Conservative

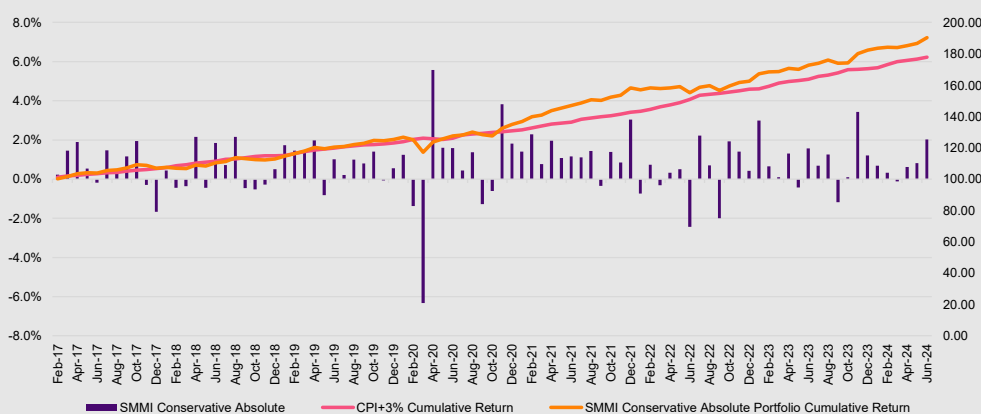
Performance per annum

The table below shows the performance of the SMMI Conservative Absolute Return Portfolio, net of fees, over various measured periods ended 30 June 2024, compared to the inflation target.

	SMMI Conservative Absolute Return	CPI +3% p.a.
3 months	3.5%	1.6%
6 months	4.4%	4.3%
1 year	10.2%	8.6%
3 years	9.0%	9.2%
5 years	9.6%	8.2%
7 years, 5 months	9.1%	8.1%

Cumulative Performance

The chart below shows the monthly performance of the SMMI Conservative Absolute Return Portfolio (net of fees). It also shows the cumulative net performance of the SMMI Conservative Absolute Return Portfolio relative to the CPI + 3.0% p.a. investment objective on the right-hand axis.



Risk Statistics

The table below sets out some key risk statistics for the SMMI Conservative Absolute Return Portfolio relative to the inflation investment objective for the period since inception (February 2017) to 30 June 2024.

Portfolio	Return achieved	Active return ¹	Standard deviation ²	Downside risk ³	Tracking error ⁴	Sortino ratio ⁵	Information ratio ⁶	Beta ⁷	Drawdown ⁸	Active Drawdown ⁹
SMMI Conservative Absolute Return (7 years, 5 months)	9.1%	1.0%	5.1%	5.6%	5.5%	1.6	0.2	-0.9	-7.6%	-10.0%
Inflation Benchmark (CPI +3%) (7 years, 5 months)	8.1%		1.3%			7.3				

Notes

- Active return is a measure of the actual return realised in excess of the benchmark return.
- Variation of return (standard deviation) is a measure of how widely the return is dispersed – the lower this measure, the less risk. This measure has been annualised.
- Downside risk measures the dispersion of return below a minimum return (zero) – the lower this measure, the less risk of realising a negative return.
- The "tracking error" measures how much the return of the actual portfolio differs from the benchmark.
- Sortino ratio measures the excess return above a minimum accepted return (taken to be zero) divided by the downside risk – it therefore measures the extra return generated per unit of risk of realising a return below zero.
- The "information ratio" measures the extent to which the actual portfolio has outperformed the benchmark divided by the "tracking error" – it is therefore a measure of the extra return generated per unit of relative risk. An information ratio net of fees of 0.25 and higher is regarded as good.
- Beta is a measure of the volatility, or systematic risk, of a portfolio relative to the benchmark.
- The drawdown is the peak-to-trough decline of returns over a specific period.
- Active drawdown is the peak-to-trough decline of the active returns (relative to the benchmark) over a specific period.

Risk and Return Analysis

The chart below compares the risk (as measured by the standard deviation) and return characteristics of the portfolios and benchmarks over the period since inception ended 30 June 2024. The SMMI Absolute Return Aggregate is a 50:50 split between the SMMI Conservative and Aggressive Absolute Return portfolios.



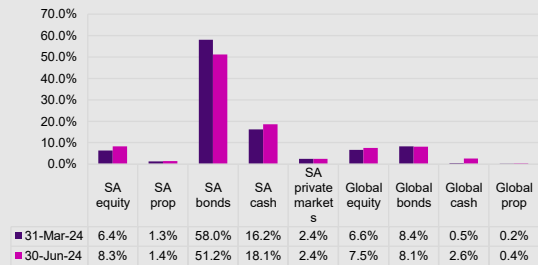
Manager Allocation

The chart below shows the manager allocation and asset classes (shown in brackets) of the SMMI Conservative Absolute Return Portfolio as at 30 June 2024.

Manager	Exposure
Amplify SCI Strategic Income (Terebinth)	13.2%
SIM Flexible Income	10.3%
Granate BCI Multi Income	8.9%
Prescient Flexible Income	8.6%
Matrix SCI Enhanced Income	8.3%
Ninety One Global Managed Income Feeder	5.5%
Prescient Flexible Bond	4.6%
BCI Income Plus (Fairtree)	4.2%
SMM Flexible Equity (Truffle)	4.2%
Amplify SCI Absolute (Matrix)	3.6%
Thyme Wealth IP Multi-Asset Income	2.8%
Amplify SCI Flexible Equity (Abax)	2.6%
Amplify SCI Global Equity FF (Sarofim)	2.6%
Bateleur Flexible	2.6%
Aylett Flexible	2.5%
SMM Bond (Prescient Bond Quant Plus)	2.5%
Granate BCI Flexible	2.1%
SMM Inflation Linked Bond (SIM)	2.0%
STD Sett Acc GRFCSH	1.8%
FNB Sett Acc USFCAR - Payables	1.3%
Satrix Global Aggregate Bond Feeder ETF	1.3%
Ninety One Global Franchise Feeder	1.1%
Chrysalis Mezzanine Credit	0.9%
Saffron BCI Active Bond	0.8%
Sanlam Investors Legacy SME Debt	0.6%
Greenpoint Spec Lend	0.5%
Tamela Mezz Debt 2	0.4%
PSG Flexible Equity	0.1%
SI:MM Cash	0.1%

Asset Allocation

The chart below shows the actual asset allocation of the SMMI Conservative Absolute Return Portfolio as at the previous and current quarter.



Total Expense Ratio (TER)

The estimated TER for the SMMI Conservative Absolute Return Portfolio is 0.92% p.a. for the one year ended 31 March 2024

The TER is an annualised value (typically measured over a rolling three year period or since inception and expressed as %) and expenses included in the TER are:

1. Annual asset management fees;
2. Asset manager performance fees (if any);
3. Bank charges;
4. Audit fees;
5. Taxes (eg VAT);
6. Custodian and trustee fees;
7. Costs related to scrip lending (if any).

Disclaimer

This report contains confidential and proprietary information of WTW, and is intended for the exclusive use of the Trustees of SURF. This report, and any opinions on or ratings of investment products it contains, may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity without WTW's prior written permission.

Information on investment management firms contained herein has been obtained from the firms themselves and other sources. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability, including for consequential or incidental damages, can be accepted for any error, omission or inaccuracy in this report or related materials. Opinions on or ratings of investment products contained herein are not intended to convey any guarantees as to the future investment performance of these products. In addition, past performance cannot be relied on as a guide to future performance.

Towers Watson (Pty) Ltd is an authorised financial services provider.