Leader in People Benefits in Africa

CONTRACT CLEANING NATIONAL PROVIDENT FUND

FUND FACT SHEET

31 DECEMBER 2022

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INVESTMENT OBJECTIVE

The Contract Cleaning National Provident Fund, a defined contribution provident fund; it was established in terms of the Pension Funds Act 1956 in November 2011 with the intention of providing retirement, death and disability benefits to its members. The primary objective of the Fund is to achieve a long-term return in excess of CPI plus 4% over a rolling five-year period.

The secondary investment objective of the Fund is to actively manage downside risk in the Fund's Investment Strategy. This will be achieved through diversification between a wide range of different asset classes, both domestic and offshore, including the use of alternative investments focused on delivering positive returns under all market conditions, as well as through the appointment of portfolio managers who actively focus on protecting the Fund's capital as well as generating good long-term returns.

The above objectives should be met while ensuring compliance with the requirements of Retirement Fund Regulations of 2008 regarding the composition of the different asset categories and in terms of the Pension Funds Act of 1956 and Regulation 28 as amended.

MARKET VALUE

	31 Dec 2021	31 Dec 2022
Portfolio	Market Value (R)	Market Value (R)
Total Fund Value	1,791,315,169	1,872,695,364

ANNUALISED FUND PERFORMANCE

	Fund	*Benchmark (CPI +4%)*
1 Month	-1.5%	*0.6%*
3 Months	4.9%	*1.7%*
6 Months	6.4%	*5.5%*
1 Year	-0.6%	*11.4%*
3 Year	8.9%*	*9.3%*
5 year	7.5%*	*8.9%*
Inception	10.7%*	*9.2%*

FUND INFORMATION

Fund Name
The Contract Cleaning National Provident Fund

Investment Consultants
NBC Investment Consulting Services (1997/012056/07)

Administrator
NBC Fund Administrators

Fund Registration Date
November 2011

Fund Registration Number
12/8/36998

Benchmark
CPI + 4% over a rolling 5 -year period

Regulation 28 Compliant
Yes

Investment Managers
Effectus SA Equity Fund
Umthombo Moderate SWIX
Prescient Flexible Bonds
Balondolozi Bond Fund
Taquanta Core Income Fund
Futuregrowth Community Property Fund
Vunani Global Active Equity
Effectus Offshore
Pathisa High Impact Development Fund

Fund Size
R1.873Bn

Fund Type
One Size Fits All

Total Fund Fee
0.50% p.a (incl VAT)

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MARKET COMMENTARY

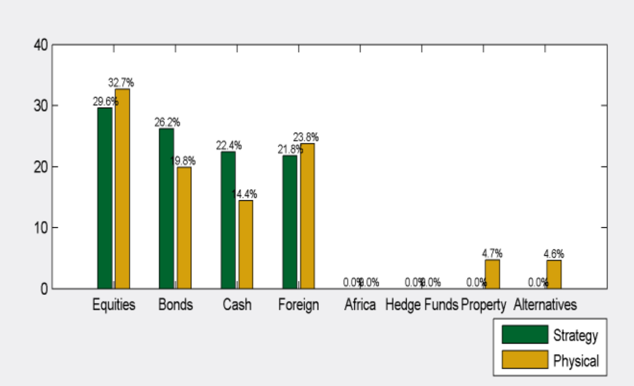
Overall, 2022 was an incredibly poor year for global equities. The MSCI World index ended the year down 18.1% in USD, the MSCI Emerging markets ended the year down 20.1%. What played out in 2022 was a very unsupportive landscape for risk assets. Global Inflation, a consequence of excessive quantitative easing during the Covid-19 crisis, meant that Global central banks had to quickly turn hawkish at a point in time where global growth was still fragile.

The Russian invasion of Ukraine placed tremendous strain on Europe and contributed to global inflation through supply chain disruptions and higher energy prices. Chinese growth fell tremendously due to very confusing internal policies such as the tech and property clampdowns, and their zero-covid policy. This not only pulled down global growth, but China's zero covid policy contributed further to supply chains disruptions and global inflation as major ports and cities were closed for weeks at a time.

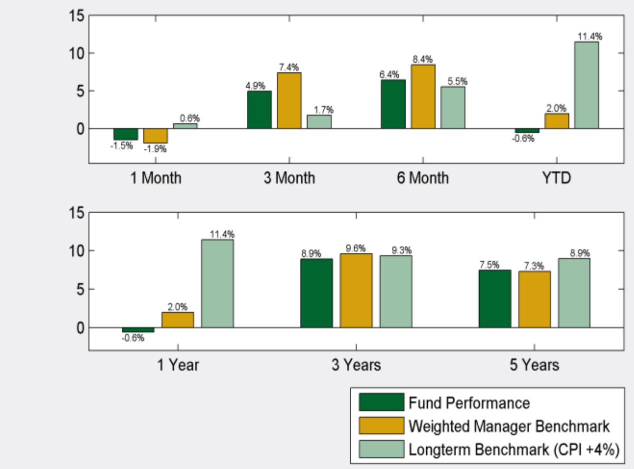
Developed market equities had a poor month in December, with the MSCI World Index losing 4.2% in USD, as a softer US inflation print failed to soften the hawkish rhetoric of the US Federal Reserve. In December, US inflation came in at 7.1% year-on-year compared to its peak reading of 9.1% in June. Even so, the Federal Reserve Chairman, Jay Powell, said in his FOMC post-meeting press conference that "Restoring price stability will likely require maintaining a restrictive policy stance for some time" and that "Reducing inflation is likely to require a sustained period of below-trend growth and some softening of labour market conditions".

We expect the Fed to keep monetary policy in restrictive territory and adhere to guidance until there is clear evidence that inflation is returning to target, or until growth falters and a recession materialises. The latter scenario

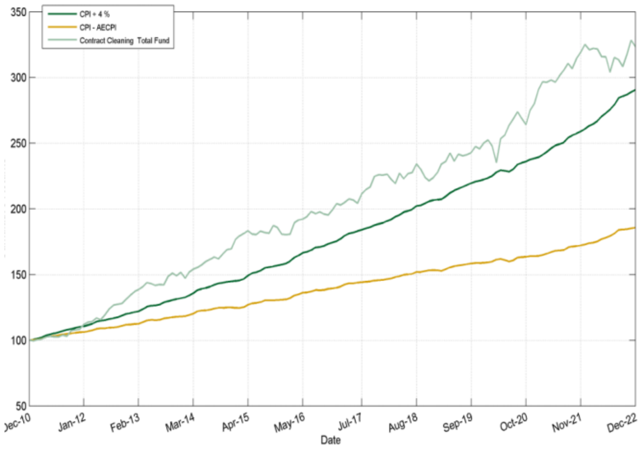
ASSET ALLOCATION AS AT 31 DECEMBER 2022



FUND PERFORMANCE AS AT 31 DECEMBER 2022



FUND CUMULATIVE RETURN GRAPH



would force the Fed to pivot. Emerging Markets fared slightly better, with the MSCI Emerging Markets Index ending the month down 1.4% in USD, as Chinese equities rallied 5.2% following an unexpected U-turn of President Xi Jinping's zero-Covid policy in the face of public discontent and mass protests. Commodities experienced some big moves in December. China's reopening benefitted industrial metals with iron ore gaining 14.1% and copper gaining 1.1% in USD. Dollar weakness supported precious metals with Gold gaining 2.8% and silver gaining 7.3%. Oil ended the month slightly down (-0.7%) as the prospect for lower growth from developed markets outweighed the excitement of a reopening China.

Local markets followed the trend of global markets lower in December, but however ended the year in positive territory. The FTSE/JSE SWIX Index, a benchmark for the South African stock market, ended the month down 2.7%, but fared better than global counterparts and closed the year up 3.6%.

All sectors of the market experienced losses in December. The Financial sector ended the month down -4.8%, followed by Resources (-3.5%) and Industrials (-0.3%). The JSE All Bond Composite (ALBI) and Composite Inflation Linked Bond Index (CILI) ended the month up 0.6% and 2.6% respectively. The FTSE/JSE Property index ended the month up 1.1%.

One of the major events that took place in December was the ANC Elective Conference, where Cyril Ramaphosa won his second term as ANC president, defeating Zweli Mkhize. The president received more votes than in the previous election, and five out of the top seven positions were seen to be in his camp, signalling a strengthening of his position. This took place despite the ongoing Phala Phala saga.

The South African economy also saw positive developments in December, as the third-quarter GDP numbers surprised to the upside, with the economy growing by 1.6% following a contraction of 0.7% in the second quarter. This finally took the size of the economy above what it was pre-COVID. The economy was supported by exports and a strong showing by the agricultural sector.

Inflation also moderated in South Africa, with the inflation rate decreasing to 7.4% year-on-year in November from 7.6% in the previous month. The South African Reserve Bank has raised interest rates to combat inflation at the last seven monetary policy meetings since its latest tightening cycle began in November 2021. Core inflation, which excludes prices of food, non-alcoholic beverages, fuel, and energy, was at 5.0% year on year in November, the same as the previous month.

The current account deficit also beat expectations, narrowing to 0.3% in the third quarter of 2022 from a deficit of 1.6% in the second quarter. In December, André de Ruyter resigned as CEO of Eskom, following severe criticism, particularly from certain leaders of the ruling party, of Eskom's poor performance and continued load shedding. Mr. de Ruyter will continue in his position until March 2023.

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