Leader in People Benefits in Africa

CONTRACT CLEANING NATIONAL PROVIDENT FUND

FUND FACT SHEET

31 MARCH 2023

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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 2022	31 Mar 2023
Portfolio	Market Value (R)	Market Value (R)
Total Fund Value	1,802,644,255	1,901,463,612

ANNUALISED FUND PERFORMANCE

	Fund	*Benchmark (CPI +4%)*
1 Month	-0.5%	*1.0%*
3 Months	4.8%	*2.0%*
6 Months	10.2%	*3.7%*
1 Year	5.8%	*11.0%*
3 Year	13.1%*	*9.2%*
5 year	9.2%*	*8.8%*
Inception	10.9%*	*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
RISE Money Market Plus
Futuregrowth Community Property Fund
Vunani Global Active Equity
Effectus Offshore
Pathisa High Impact Development Fund

Fund Size
R1.9bkn

Fund Type
One Size Fits All

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

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MARKET COMMENTARY

Markets started on a rocky note in March with concerns over a banking system collapse. However, most major assets ended the month on a positive note. In Rand terms, the S&P 500 ended the month slightly positive at 0.4% the MSCI World Index and MSCI Europe ended the month down -0.3% and -3.3% respectively, and the MSCI Emerging Markets ended the month down -8.7% in USD.

US Equities sold off, and oil prices fell in the beginning of March following the collapse of Silicon Valley Bank. The market had feared that there would be a contagion throughout the banking system. However, the US Federal Reserve (Fed) responded swiftly to calm the market and improve sentiment toward the end of the month. Over the quarter, UK equities underperformed global equities, and European stocks outperformed global equities.

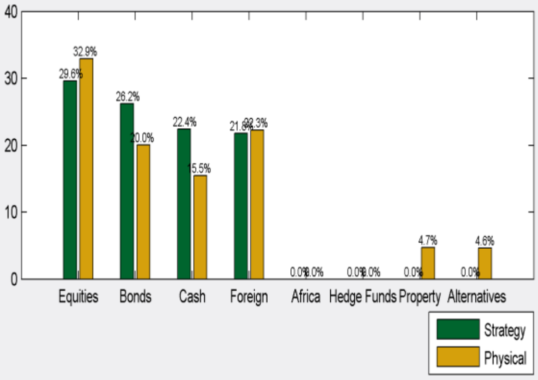
The US Consumer Price Index increased by 0.4% in February, putting the annual inflation rate at 6%, which was in line with expectations. The inflation rate is still above the Fed's target of 2%. As expected, the Fed announced another 0.25% interest rate hike, taking the interest rate to the highest it has been since 2007. The US dollar weakened on expectations that the deteriorating economic outlook will result in the Fed cutting rates in the second half of the year.

Inflation in the UK increased to 10.4% year on year in February, and the Bank of England hiked interest rates by 0.25%. Growth in Europe proved to be more resilient than expected, and despite inflation declining from 8.6% in January to 8.5% in February, the European Central Bank hiked rates by 0.50%.

Emerging Markets (EM) outperformed their developed counterparts in March, with the MSCI EM and MSCI China indices delivering 2.1% and 4.5%, respectively in USD. The China Manufacturing PMI (Purchasing Managers' Index), as a gauge for production efficiency, remained upbeat at 51.9 in March, following 52.6 the previous month.

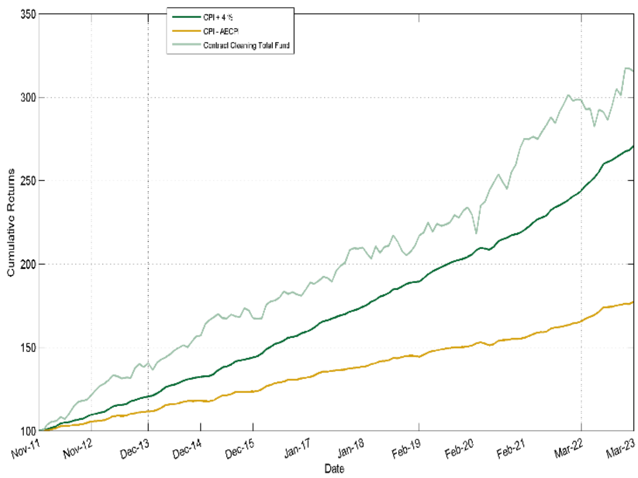
In the past month, the Bloomberg Commodities Index experienced a decline of 0.21%. However, industrial metals demonstrated a positive trend, likely due to

ASSET ALLOCATION AS AT 31 MARCH 2023



FUND PERFORMANCE AS AT 31 MARCH 2023

FUND CUMULATIVE RETURN GRAPH



the anticipated growth of economic activity in China. Gold prices rose due to a surge in safe-haven demand, caused by the banking sector instability and the expectation that the Federal Reserve would reduce the pace of its interest rate hikes.

South African Markets

In March, South African equities experienced a decline as a result of several negative factors. The country's economic growth outlook was particularly impacted by the South African Reserve Bank's larger-than-expected interest rate hike, higher inflation rates, and ongoing power outages.

As a result, the FTSE/JSE All Share Index and Capped SWIX fell by 1.9% and 2.0%, respectively, with Financials taking a particularly hard hit and falling by 6.2%, while Industrials were down 0.6%. Despite this, Resources was the only sector to see an increase, rising by 4.4%. The JSE All Bond Index experienced a gain of 1.3%

During Q1 2023, the FTSE/JSE All Share Index and Capped SWIX experienced gains of 5.2% and 2.4%, respectively. The Industrials sector saw a significant surge of 13.6%, whereas the Financials sector experienced a decline of 0.3% and the Resources sector ended the quarter with a 4.7% decrease. The JSE All Bond Index gained 3.4%, while listed property suffered a loss of 5.1%. Cash, as measured by the STeFI Composite Index, performed positively with a return of +1.7%.

South African Reserve Bank Governor Lesetja Kganyago surprised markets by raising interest rates by 50 basis points. This decision has pushed the repo rate to 7.75%, leading to the prime lending rate soaring to 11.25%, marking the highest it has been since 2009.

After the announcement, the Rand reacted positively, appreciating 3.1% against the greenback. Market predictions expected a more moderate increase of 25 basis points. However, the aggressive hike was deemed necessary due to the rapid depreciation of the Rand and persistent inflation concerns.

In March, the share price of Transaction Capital, the conglomerate that holds WeBuyCars and SA Taxi vehicle financing, experienced a significant drop of almost 60%. This was due to the company's announcement of restructuring its taxi business, which has been struggling to regain its pre-pandemic levels, resulting in a decline of 46% in earnings for the operation.

Despite this, the CEO of the group, David Hurwitz, has assured investors that any defaults in one subsidiary will not lead to a breach in covenant clauses on another.

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