



UCT RETIREMENT FUND

Secure your future – it's never too late to start

The Trustees of the Retirement Fund will be reporting on:

Chairperson's Report

Investment Review and the Latest Investment Returns

Principal Officer's Report

Trustee Elections 2016

Questions to Trustees

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UCT RETIREMENT FUND

AGM 2016

Chairperson's Report – Fund Finances



UNIVERSITY OF CAPE TOWN
IYUNIVESITHI YASEKAPA • UNIVERSITEIT VAN KAAPSTAD



Fund Finances

UCTRF Budget for the year ending 30 June 2017			
	YEAR END 30 JUNE 2016	YE 30 JUNE 2017	% Change From Previous Financial Year
	TOTAL EXPENSES (PAID + ACCRUED) 2016	BUDGET 1 July 2016 to 30 June 2017	Annual Budget % change
FUND ADMINISTRATION FEES – SANLAM <small>(PAID FROM MEMBER ACCOUNTS)</small>	2 666 055	2 750 293	3%
ACTUARIAL AND BENEFIT CONSULTING FEES	635 360	549 638	-16%
INVESTMENT CONSULTING FEES - Willis Towers Watson	785 979	927 654	15%
INVESTMENT CONSULTING FEES - Selekane	19 600	60 000	New appointment
AUDIT FEES - PriceWaterhouseCoopers	410 781	435 428	6%
TOTAL SERVICE PROVIDER FEES (VAT INCLUSIVE)	2 489 847	2 903 023	14%
UCTRF OFFICE ADMINISTRATION FEES (VAT INCLUSIVE) <small>(INCLUDES Office salaries and operations)</small>	1 534 759	2 447 510	37%
TOTAL FUND EXPENSES (RECURRENT)	4 024 606	5 350 534	25%
PROJECTS (NON RECURRENT)	28 089	176 489	Non-recurrent
TOTAL BUDGET REQUIRED	4 052 695	5 677 023	29%



Investment Manager Costs

	Objective	Cost
Portfolio A	$I + 1\%$	0.17%
Portfolio B	$I + 3\%$	1.59%
Portfolio C	$I + 5\%$	0.45%
Portfolio D	$I + 4\%$	0.73%

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AGM 2016

Investment Review





- **Total Assets = R4,6 billion**
- Split of assets between portfolios:

		Investment	Objective	Horizon
A INCOME FUND	approx	R308 Million	CPI+1%	0-2 yrs
B SMOOTHED BONUS FUND	approx	R1,341 Million	CPI+3%	3-5 yrs
C BALANCED FUND	approx	R2,835 Million	CPI+5%	7+ yrs
D SHARI'AH FUND	approx	R95 Million	CPI+4%	5+ yrs



Portfolio B multi-manager product:

- **SA Equity** (31%): Allan Gray, Foord, ABAX and Visio
- **SA Bonds** (10%): Prescient, Prudential, Futuregrowth
- **Multi-Asset Class** (25%): Coronation, Prudential
- **Listed Property** (2.5%): Catalyst
- **Direct Property** (5%): ERIS
- **RSA Cash** (5%): Aluwani Capital Partners
- **Africa ex-SA Listed Equity/Estate** (2.5%): Coronation
- **Africa ex-SA Listed Real Estate** (018%): Momentum Global Investment Management
- **Int'l Equity** (19%): Orbis, Hoskings, Veritas



Portfolio C specialist managers:

- **SA Equity** (53%): Allan Gray, Investec Value, ABAX
- **SA Bonds & Cash** (17%): Prescient
- **SA Listed Property** (4%): Catalyst
- **Int'l Equity** (20%): Orbis Global Equity
- **Int'l Bonds & alt's** (6%): Brandywine



Portfolio D multi-manager product:

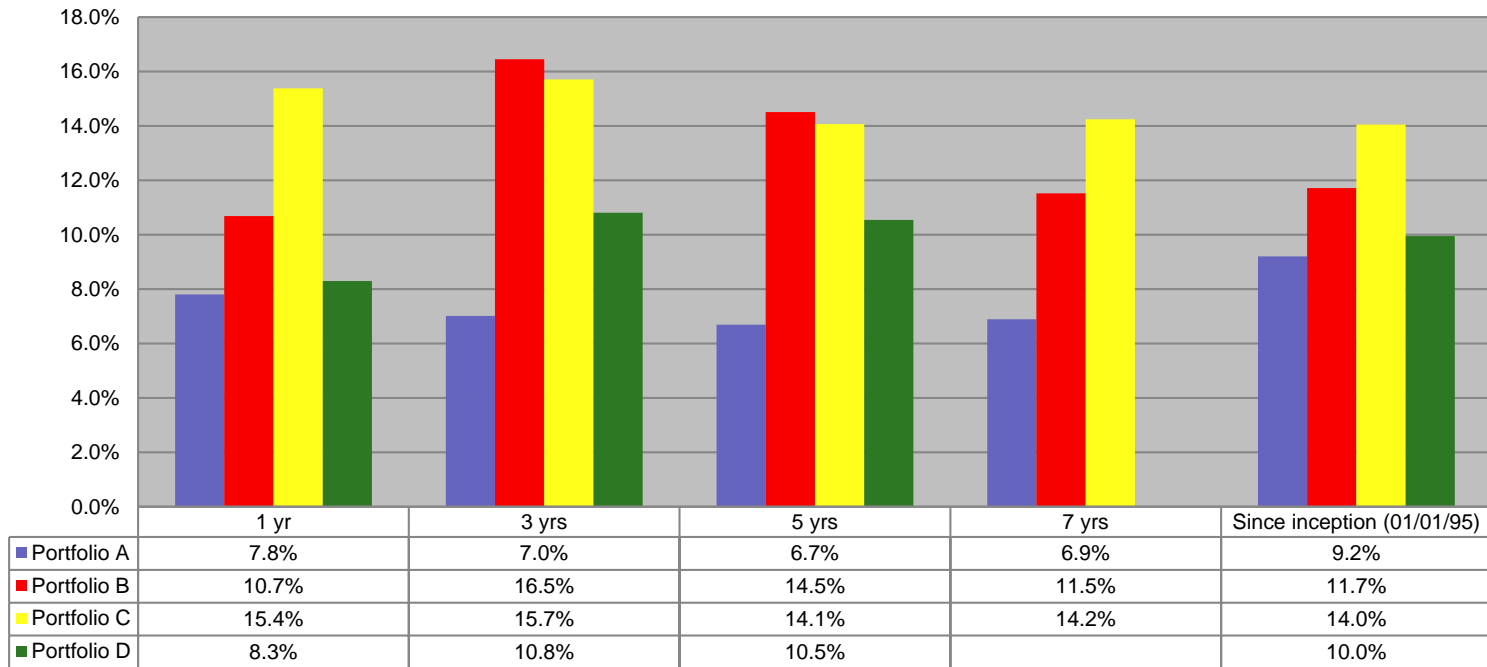
- **SA Equity** (42%): OM Albaraka, Kagiso, 27Four, Shariah Top 40 Index
- **Africa Equity** (1%): Lotus Capital
- **Murabahah C'tracts** (32%): Murabahah contracts
- **Platinum** (3%): New Platinum ETF
- **Gold** (3%): New Gold Issuer Ltd
- **SA Cash** (2%): SA non-interest bearing cash
- **Int'l Equity** (14%): EasyETF DJ IMT 100
- **Int'l Sukuk** (3%): Franklin Templeton



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**UCT Retirement Fund
Returns per annum to 30 June 2016**



■ Portfolio A ■ Portfolio B ■ Portfolio C ■ Portfolio D



Monthly Performance

The table shows the monthly returns for the four portfolios from 1 July 2015 to 30 June 2016 . These figures are shown after investment manager fees.

Month	Portfolio A	Portfolio B	Portfolio C	Portfolio D
Jul-15	0.61%	1.26%	0.72%	2.48%
Aug-15	0.66%	1.26%	-0.33%	-0.26%
Sep-15	0.59%	0.81%	-0.67%	-0.89%
Oct-15	0.62%	0.86%	6.60%	3.49%
Nov-15	0.56%	0.96%	-1.34%	0.20%
Dec-15	0.59%	0.86%	0.59%	2.32%
Jan-16	0.65%	0.81%	0.42%	-1.97%
Feb-16	0.57%	0.56%	1.98%	2.10%
Mar-16	0.68%	0.51%	4.53%	0.62%
Apr-16	0.66%	0.76%	1.97%	0.53%
May-16	0.55%	0.76%	1.50%	2.09%
Jun-16	0.80%	0.81%	-1.28%	-2.52%
Total for past 12 months:	7.80%	10.69%	15.38%	8.30%
Total since inception (p.a.):	9.21%	11.71%	14.05%	9.95%

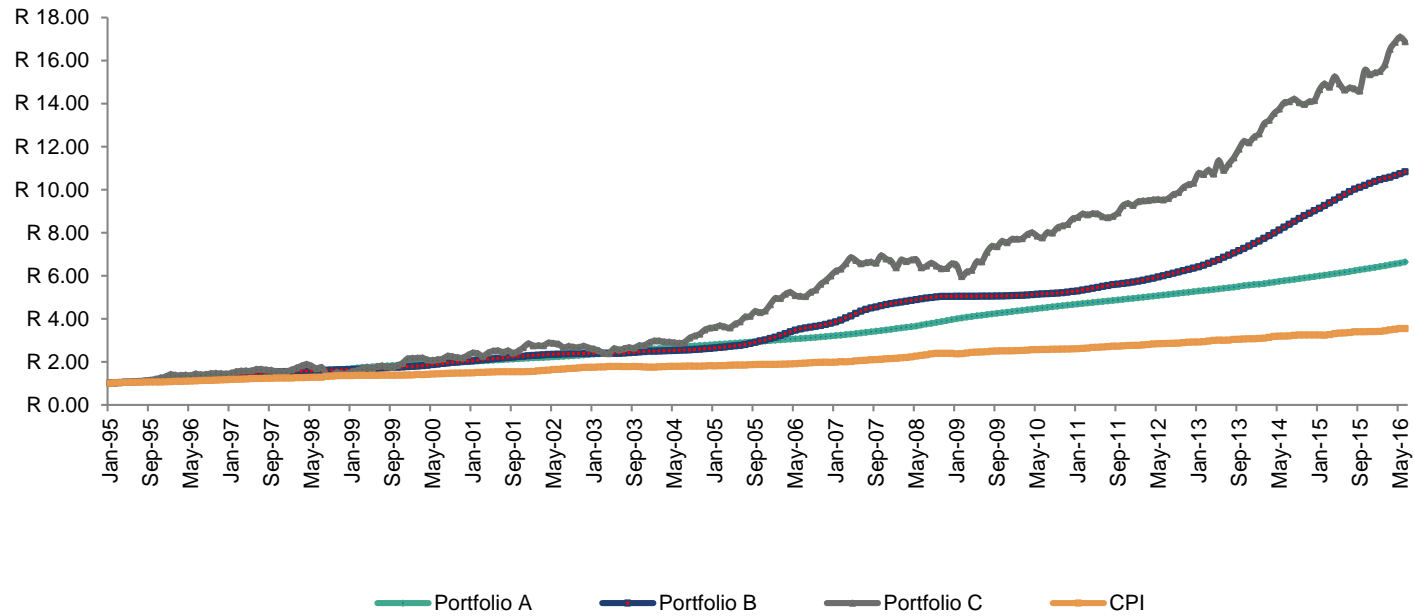
Note: inception date is 1 April 2010 for Portfolio D, 1 January 1995 for the other portfolios.



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Cumulative return of R1 invested on 1 January 1995





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Shareholder Activism?

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AGM 2016

Principal Officer Report





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Trustee Elections

- Nominations opened today
- Change in composition of the Board with effect from 1 January 2017 – increased to 14 trustees:
 - 7 elected by the members
 - 1 appointed by each union with more than 15% of the membership of the Fund
 - balance appointed by the employer.



Amendment 5

- Registered on 24 June 2016:
- Major changes:
 - If you resign from UCT and do not make an election regarding your benefit, you will be defaulted to deferred pensioner and will remain invested in the portfolio you were invested in prior to leaving UCT (unless you have an outstanding housing loan or 37D deduction).
 - A deferred pensioner may withdraw from the Fund at any time.
 - If you retire from UCT, you do not have to retire from the Fund and may leave your Fund credit invested in the Fund until you elect to retire from the Fund. (Such member is referred to as a “phased retiree”.)
 - If you do not make an election on retirement, you will be defaulted to a phased retiree until you make an election (unless you have an outstanding housing loan or 37D deduction)



Amendment 5 - cont

- If you are a phased retiree your contributions and risk benefits will cease.
- You may transfer your fund credit to a preservation fund after you have left the service of UCT.
- If, on joining the Fund, you do not make an election with regard to the investment of your benefits and contributions, these will be invested the Near-cash Portfolio until 12 months after the 31 March following your first election opportunity at which time future contributions will be invested in the default investment portfolio selected by the Fund.