

MONTHLY INVESTMENT REPORT

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

31 July 2017

NOVARE[®]



FINANCIAL OVERVIEW

In a surprise move, the South African Reserve Bank (SARB) decided to cut the repo rate for the first time in five years from 7.0% to 6.75%. As the move came earlier than expected, the announcement weakened the rand and the local unit breached the R13.00 mark to the U.S. dollar. The Monetary Policy Committee (MPC) noted that the inflation outlook had improved, however, it remains concerned that inflation expectations stayed stuck at the upper end of the target range. The SARB argued that, although the move would not inject any significant stimulus to the economy, it may provide some relief to the margin. In addition, local growth prospects had deteriorated with the central bank halving growth projections for 2017 from 1% to 0.5%.

The disinflation trend continued as the headline CPI rate for June came in at 5,1%. This rate was 0,3% lower than the corresponding annual rate of 5,4% in May 2017, making it the lowest inflation rate since November 2015. May retail sales were healthier than expected, posting an increase of 1.7 % year-on-year, following an upwardly revised 2% gain in April. The manufacturing sector continued to be one of the country's most disappointing economic sectors since the global financial crisis. Manufacturing production declined in May 2017 and over the past year manufacturing has achieved an average annual growth rate of -0.3%. The FNB/BER Consumer Confidence Index (CCI) fell to -9 in the second quarter after increasing from -10 in the fourth quarter of 2016 to -5 in the first quarter of 2017.

The rand depreciated 4.4% against the euro and 0.9% against the U.S. dollar for the month as a less dovish stance by global central banks and increased in downgrade fears put the local unit on the back foot. In addition, talk regarding the nationalisation of the SARB kept the local market and rand nervous. The rand reacted very negatively following the announcement of the proposal and almost touched R13.50 against the U.S. dollar. The FTSE/JSE All Share Index increased by 7% during July, bolstered by rand hedged counters and resources. On a sector basis, the Resources 20 Index returned a whopping 13.7%, while the Financial 15 and Industrial 25 Index gained 5.5% and 6.1% respectively. The local bourse outperformed the All Bond Index, South African Listed Property and cash, which returned 1.5%, 3.7% and 0.6% respectively during the month of July.

FINANCIAL OVERVIEW

South African Market (Rand)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
ALSI	7 729.54	7.03	2.86	6.07	10.64	7.59
CAPI	44 238.80	6.42	2.02	4.44	8.86	6.26
SWIX	19 917.63	6.34	2.20	7.11	9.86	4.68
Top 40	6 831.88	7.65	4.00	7.85	12.89	9.42
Africa Resource 20	2 131.20	13.71	6.47	-1.46	8.86	12.67
Africa Financial 15	8 102.14	5.58	1.71	4.86	3.82	5.62
Africa industrial 25	14 174.25	6.18	3.61	12.65	17.60	8.91
Africa Mid Cap	15 337.52	4.69	-3.29	-4.58	-2.99	-5.95
Africa Small Cap	19 847.68	0.76	-4.58	-5.09	-2.80	0.60
All Bond Index	563.11	1.50	1.53	4.17	5.56	7.16
Stefi Composite	371.81	0.62	1.87	3.72	4.37	7.64
Africa SA Listed Property	2 230.88	3.70	4.12	4.37	6.07	3.27
MSCI Global Equity (R)	25 835.14	3.20	2.95	7.04	7.77	8.40
Global Bonds (R)	6 955.24	2.29	1.30	3.38	1.79	-7.24
Rand Dollar Exchange Rate	13.17	0.85	-1.39	-2.17	-3.76	-4.82

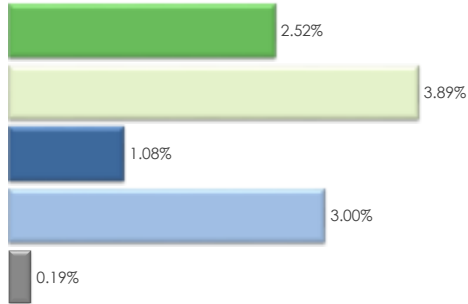
Global Equity (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
S&P 500	2 470.30	1.93	3.61	8.40	10.34	13.65
NASDAQ	6 348.12	3.38	4.97	13.06	17.93	22.97
MSCI Global Equity (\$)	1 961.10	2.33	4.41	9.41	11.98	13.90
MSCI Emerging Markets (\$)	1 066.23	5.48	9.03	17.27	23.65	22.07

Global Bond (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Global Bonds (\$)	527.96	1.43	2.74	5.67	5.77	-2.54

Commodity Prices	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Brent Oil (USD/Barrel)	52.72	8.10	1.29	-6.18	-7.22	21.70
Platinum (USD/oz)	940.00	1.46	-0.42	-5.53	4.10	-18.30
Gold (USD/oz)	1 269.50	2.25	0.10	4.86	10.33	-6.01

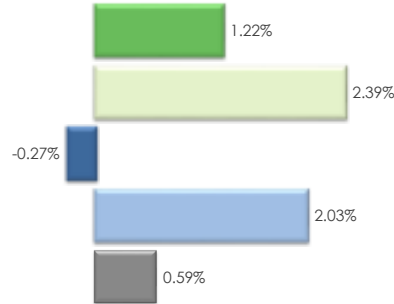
EXECUTIVE SUMMARY

Monthly Return for July 2017



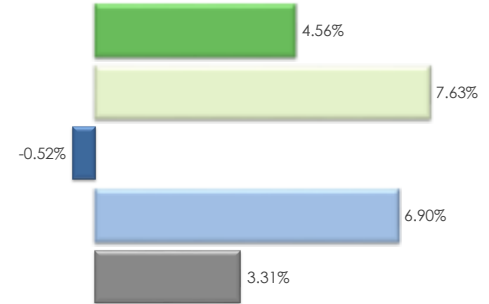
Active Strategic BM: Active
 Pensioner Strategic BM: Pensioner
 CPI

3 Month Return up to 31 July 2017



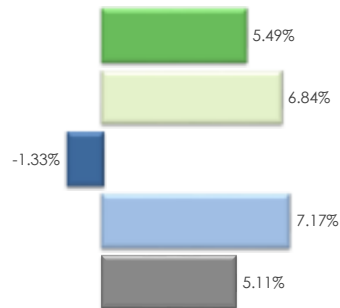
Active Strategic BM: Active
 Pensioner Strategic BM: Pensioner
 CPI

Return from the beginning of the financial year to 31 July 2017



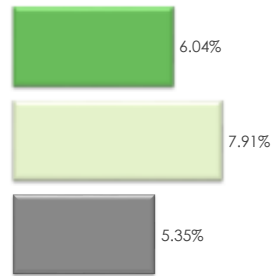
Active Strategic BM: Active
 Pensioner Strategic BM: Pensioner
 CPI

Return for the last 12 months up to 31 July 2017



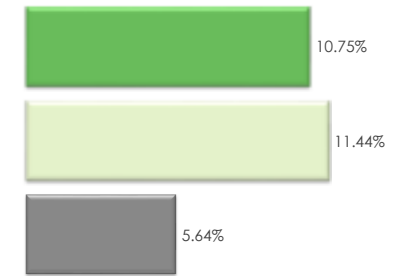
Active Strategic BM: Active
 Pensioner Strategic BM: Pensioner
 CPI

Return for the last 3 years up to 31 July 2017



Active Strategic BM: Active CPI

Return for the last 5 years up to 31 July 2017



Active Strategic BM: Active CPI

Notes:

CPI, in the charts above and throughout the report, is shown as a 1-month lag

Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

FUND SPECIFIC ANALYSIS

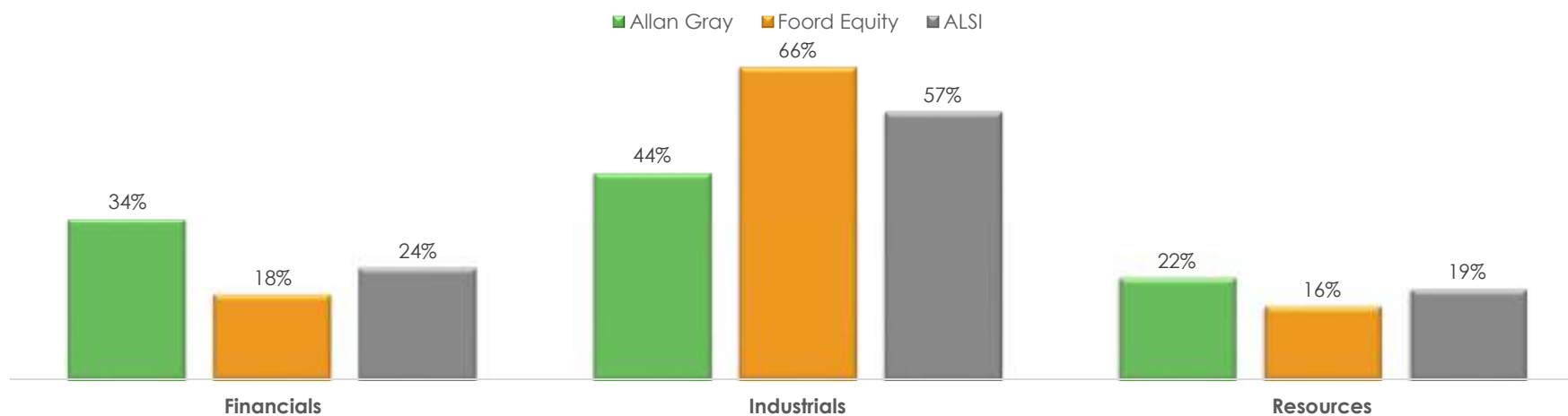
The Cash Flow Table below, gives an indication of the Rand value that has been added to the Anglican Church Of Southern Africa Pension Fund. The added values is divided between cash in/out flows and the return achieved on the Fund's investments over the various periods.

	1 month	3 month	QTD	YTD	12 months	Last 3 years	Last 5 years
Market value at start	1 175 778 128	1 200 261 194	1 175 778 128	1 189 104 013	1 221 456 325	1 109 873 668	866 299 365
Net Cash Flow	(1 000 000)	(9 611 685)	(1 000 000)	(18 686 106)	(43 686 106)	(533 039 157)	(616 766 483)
Return	24 608 626	8 737 245	24 608 626	28 968 848	21 616 535	622 552 242	949 853 873
Current market value	1 199 386 754	1 199 386 754	1 199 386 754	1 199 386 754	1 199 386 754	1 199 386 754	1 199 386 754

MOST RECENT STRATEGIC CHANGES

Date	Transferred from	Transferred to	Amount (R)
03 July 2017	Mayibenthsa	Bank Account	1 000 000
30 June 2017	Colourfiled	Bank Account	18 000 000
21 June 2017	Investec Treasury	NBAUIS	99 051 110
30 September 2016	Liberty	Cape Town BA	2 000 000
01 July 2016	Metope	Bank Account	5 000 000
15 June 2016	Metope	Bank Account	5 000 000
14 June 2016	Metope	Bank Account	10 000 000
02 June 2016	Foord	Bank Account	5 000 000
13 May 2016	Bank Account	Colourfiled	110 521 618
06 April 2016	FG IDB	Bank Account	43 322 058

FUND SHARE STRUCTURE



Equity Managers	Allan Gray	Foord Equity
Type of Mandate	Active	Active
Benchmark	AFGLMW	ALSI
Inception Date	01 July 2001	01 January 2013
Ann return since incept.	15.70%	10.90%
Benchmark	14.25%	10.34%

Notes:

The fund has equity exposure via the Allan Gray Global balanced Fund.

PORTFOLIO MARKET VALUES AND RETURNS

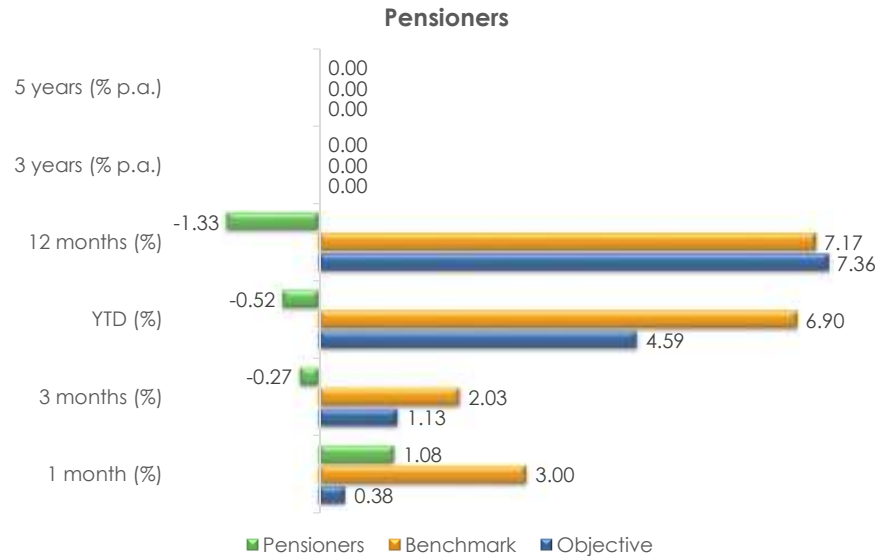
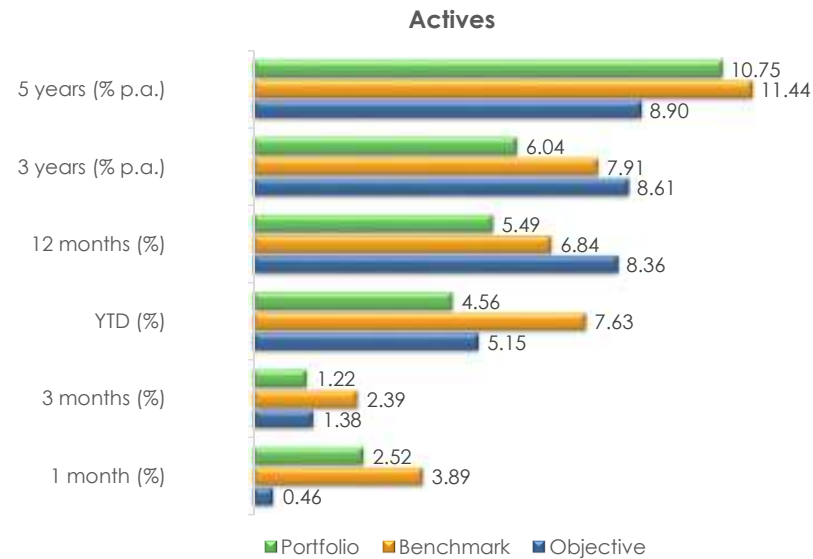
The table below shows the portfolio returns of the Anglican Church Of Southern Africa Pension Fund for various periods and compares it with the respective benchmarks.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Actives	650 826 464	54.3	2.52	1.22	4.56	5.49	6.04	10.75
Benchmark			3.89	2.39	7.63	6.84	7.91	11.44
			-1.36	-1.17	-3.07	-1.35	-1.86	-0.69
Pensioners	548 560 289	45.7	1.08	-0.27	-0.52	-1.33	-	-
Benchmark			3.00	2.03	6.90	7.17	-	-
			-1.92	-2.30	-7.42	-8.51	-	-

The table below shows the portfolio returns of the Anglican Church Of Southern Africa Pension Fund for various periods and compares it with the respective objectives.

Actives			2.52	1.22	4.56	5.49	6.04	10.75
Objective			0.46	1.38	5.15	8.36	8.61	8.90
CPI + 3.25%			2.07	-0.15	-0.59	-2.87	-2.56	1.85
Pensioners			1.08	-0.27	-0.52	-1.33	-	-
Objective			0.38	1.13	4.59	7.36	-	-
CPI + 2.25%			0.70	-1.41	-5.11	-8.69	-	-
Total Fund	1 199 386 754	100						

PORTFOLIO MARKET VALUES AND RETURNS (continued)



Notes:

Returns over periods longer than a year represent annualised returns.

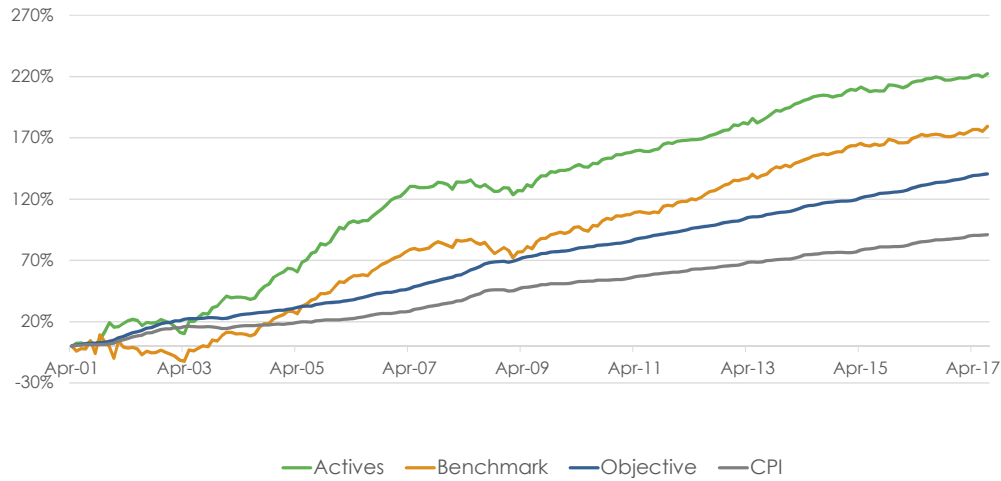
Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

LONGER TERM RETURNS

Longer term returns should be used to assess the Anglican Church Of Southern Africa Pension Fund performance when compared to benchmark as short term market volatility may distort short term performance measurement.

The cumulative graph below shows the Active portfolio performance since 1 April 2001 against its benchmark and objective. It also shows the performance against

Actives - Cumulative returns since 01 April 2001



Notes:

Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

MANAGER PERFORMANCE

The table sets out the individual manager returns for the Anglican Church Of Southern Africa Pension Fund and compares them with their respective benchmarks over the various periods

Asset Class	Manager	Inception date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	QTD (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)	Since Incept (% p.a.)	
SA Equity	Allan Gray AFGLMW	2001-07-01	289 588 830	24.14	3.64	1.90	3.64	6.97	7.53	10.83	15.37	15.70	
					3.35	1.65	3.35	3.45	2.66	6.00	11.93	14.25	
					0.29	0.25	0.29	3.52	4.87	4.83	3.44	1.45	
	Foord Equity ALSI	2013-01-01	142 411 627	11.87	3.43	-0.12	3.43	5.08	1.14	4.16	-	-	10.90
					7.03	2.86	7.03	10.64	7.59	5.47	-	10.34	
					-3.60	-2.99	-3.60	-5.56	-6.45	-1.31	-	0.56	
SA Bonds	Colourfield All Bond Index	2016-02-01	466 175 953	38.87	0.07	-0.76	0.07	-2.59	-3.98	-	-	2.09	
					1.50	1.53	1.50	5.56	7.16	-	-	11.98	
					-1.43	-2.29	-1.43	-8.15	-11.14	-	-	-9.88	
SA Property	Metope Africa SA Listed Property	2007-07-01	66 812 991	5.57	4.03	5.00	4.03	7.66	4.14	16.34	14.41	15.26	
					3.70	4.12	3.70	6.07	3.27	13.84	12.72	14.56	
					0.33	0.88	0.33	1.59	0.87	2.50	1.70	0.70	
SA Cash	Liberty Standard Money Market Stefi Composite	2002-02-01	12 824 383	1.07	0.68	2.11	0.68	4.96	6.07	3.43	4.43	5.41	
					0.62	1.87	0.62	4.37	7.64	6.97	6.32	7.93	
					0.06	0.25	0.06	0.59	-1.56	-3.54	-1.89	-2.52	
	Liberty Liquid Stefi Composite	2002-02-01	11 711 394	0.98	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	
					-	-	-	-	-	-	-	-	
SA Alternatives	Mayibentsha Focused CPI + 4.5%	2011-07-01	16 536 383	1.38	0.71	-0.01	0.71	3.72	2.84	3.61	8.25	8.85	
					0.55	1.67	0.55	5.86	9.61	9.86	10.15	10.13	
					0.16	-1.69	0.16	-2.13	-6.77	-6.25	-1.89	-1.28	
	Futuregrowth CPF CPI + 4%	2007-05-01	20 916 419	1.74	0.79	4.50	0.79	7.84	26.38	18.69	15.30	13.54	
					0.52	1.56	0.52	5.58	9.11	9.36	9.65	10.15	
					0.27	2.95	0.27	2.27	17.27	9.33	5.65	3.39	
International	Novare Global 60% MSCI / 40% JPM	2004-03-01	172 408 774	14.37	2.35	1.86	2.35	9.05	8.87	14.65	18.67	12.21	
					2.84	2.29	2.84	5.35	1.92	10.43	16.07	10.45	
					-0.49	-0.43	-0.49	3.70	6.95	4.22	2.59	1.76	
Total Fund			1 199 386 754	100									

Notes:

The market values and performances in the table above have been received from the respective managers.

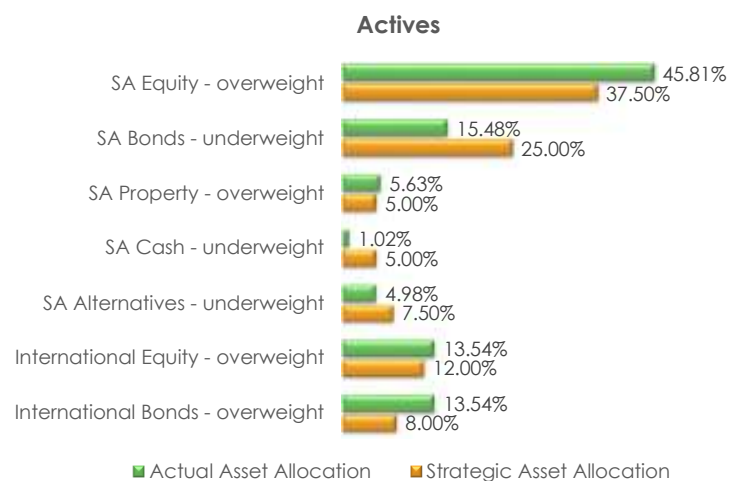
ASSET ALLOCATION

Asset Class	Manager	Actives	Pensioners	Total Fund
SA Equity	Allan Gray	230 724 940	58 863 890	289 588 830
	Foord Equity	114 124 177	28 287 450	142 411 627
SA Bonds	Colourfield	116 508 809	349 667 145	466 175 953
SA Property	Metope	42 411 682	24 401 309	66 812 991
SA Cash	Liberty Liquid	(5 171 487)	16 882 880	11 711 394
	Liberty Standard Money Market	12 824 383	-	12 824 383
	Cash in Transit	-	-	-
SA Alternatives	Futuregrowth CPF	20 916 419	-	20 916 419
	Mayibentsha Focused	16 536 383	-	16 536 383
International	Novare Global	101 951 160	70 457 615	172 408 774
Total Fund		650 826 464	548 560 289	1 199 386 754

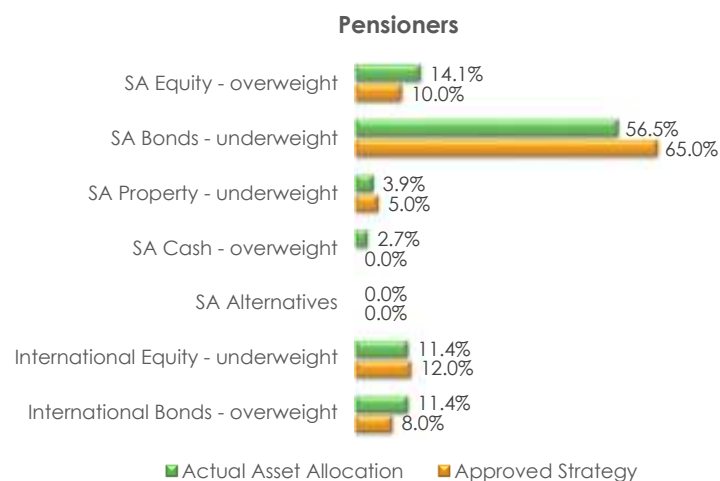
Notes:

The market values in the table above have been received from the respective managers.
The fund has equity exposure via the Allan Gray Global Balanced Fund.

ASSET ALLOCATION



Actives	TACTICAL LIMITS		
	Asset Class	Lower Limit	Upper Limit
	SA Equity	25.0%	50.0%
	SA Bonds	0.0%	25.0%
	SA Property	0.0%	15.0%
	SA Cash	0.0%	10.0%
	SA Alternatives	5.0%	15.0%
	International Bonds	0.0%	25.0%
	International Equity	0.0%	25.0%



Pensioners	TACTICAL LIMITS		
	Asset Class	Lower Limit	Upper Limit
	SA Equity	0.0%	25.0%
	SA Bonds	50.0%	100.0%
	SA Property	0.0%	10.0%
	SA Cash	0.0%	20.0%
	SA Alternatives	0.0%	0.0%
	International Bonds	0.0%	25.0%
	International Equity	0.0%	25.0%

Notes:

The fund has equity exposure via the Allan Gray Global Balanced Fund.

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