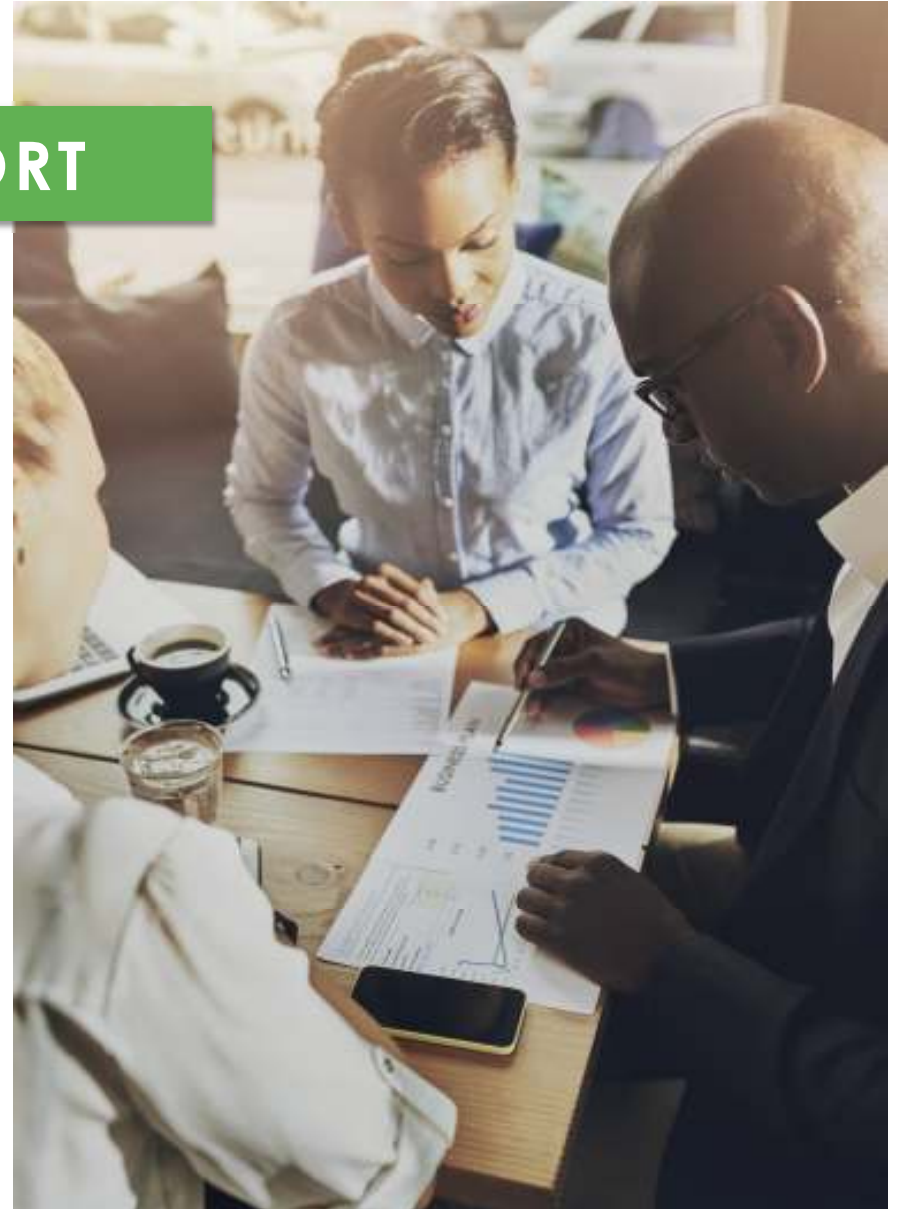


MONTHLY INVESTMENT REPORT

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

30 June 2017

NOVARE[®]



FINANCIAL OVERVIEW

As widely expected, Fitch Ratings erred on the side of caution and affirmed South Africa's sovereign long-term foreign currency and local currency credit ratings at BB+ with a stable outlook. In addition, S&P Global also affirmed the country's long-term foreign currency sovereign rating at BB+ and the local currency rating at BBB- with the outlook for both remaining negative. South Africa narrowly escaped a junk status credit rating from Moody's as the agency cut the country's foreign and local-currency ratings to one notch above speculative grade while keeping the outlook negative. Weakening institutions, reduced growth prospects and subsequent risks to the country's finances were all reasons highlighted by the agency. South Africa's GDP growth rate decreased 0.7% in the first quarter of this year (on a quarter-on-quarter basis) making it the second consecutive quarter where the country recorded negative growth, indicating that the economy was formally in a recession over the turn of the year. Year-on-year, real GDP was up 1% in the first quarter of the year.

The release of South Africa's revised mining charter raised questions among various stakeholders regarding the sustainability of the mining industry. Rating agencies heeded warnings that the proposed regulation would lead to increased costs, lower cash flow generation and ultimately deter investment. This subsequently raised the concern that the government may be putting the much-needed transformation agenda ahead of the country's economic growth. The rand gained 0.09% against the U.S. dollar for the month but remained volatile due to political and economic developments. The Public Protector's suggestion for the constitution to be changed in order to alter the primary objective of the South African Reserve Bank (SARB) triggered alarms regarding the independence of the SARB. The suggestion was perceived as credit negative by rating agencies. When the news broke it sent the rand and bonds higher with the rand managing to break through the R13.00 level against the greenback for the first time since the 1st of June 2017.

Talk regarding the pullback of stimulus by major central banks was felt in the market for several days, placing emerging market assets and bonds both on the back foot. In addition, U.S. GDP growth for Q1 2017 was stronger than expected with the print sending the local unit back to above the R13.00 mark against the U.S. dollar. This combination of factors caused bonds yields to rise steeply in the final week of June as the S.A. 10-year ticked up from 8.4% to 8.7%. The less than supportive global backdrop and political uncertainty resulted in local bonds ending the month in the red, with the All Bond Index down 0.9% despite a rally in the first half of the month. Local equities performed the worst with the JSE All Share Index shedding 3.4%. On a sector basis, the Financial 15 and the Resource 20 Index both slipped by more than 2%, while the Industrial 25 Index was the biggest laggard, down 4.1% for the month. Cash and the S.A. Listed Property Index managed to finish in the green returning 0.6% and 0.2% respectively.

FINANCIAL OVERVIEW

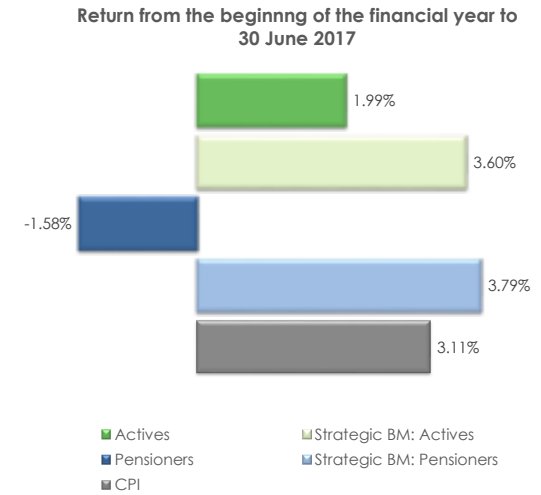
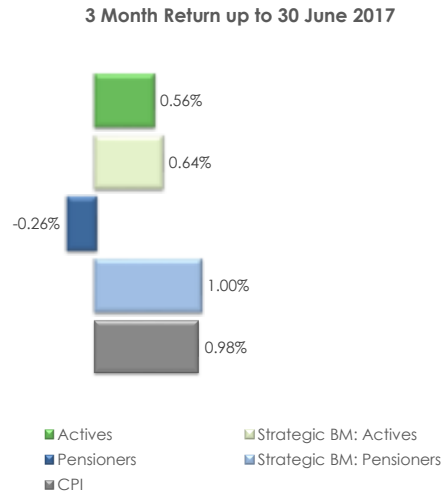
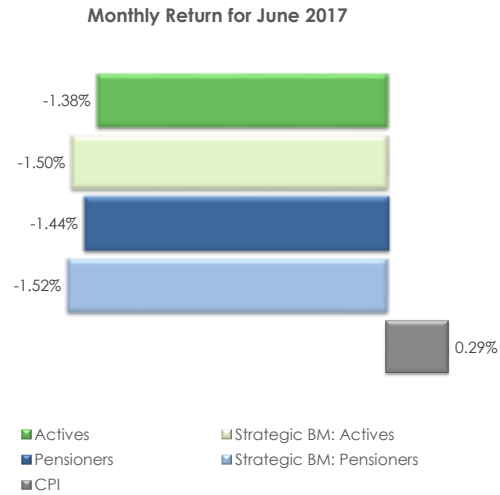
South African Market (Rand)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
ALSI	7 221.62	-3.49	-0.39	3.37	3.37	1.69
CAPI	41 568.91	-3.32	-0.95	2.29	2.29	1.35
SWIX	18 729.49	-3.83	0.00	3.30	3.30	0.28
Top 40	6 346.53	-3.59	0.94	4.87	4.87	1.56
Africa Resource 20	1 874.21	-2.99	-6.08	-4.27	-4.27	2.39
Africa Financial 15	7 674.02	-2.07	0.28	-1.67	-1.67	2.89
Africa industrial 25	13 349.35	-4.19	3.40	10.76	10.76	1.67
Africa Mid Cap	14 650.66	-3.54	-8.37	-7.34	-7.34	-2.85
Africa Small Cap	19 698.27	-2.78	-7.72	-3.53	-3.53	2.38
All Bond Index	554.77	-0.95	1.49	3.99	3.99	7.93
Stefi Composite	369.50	0.61	1.85	3.72	3.72	7.63
Africa SA Listed Property	2 151.24	0.29	0.91	2.29	2.29	2.82
MSCI Global Equity (R)	25 033.12	0.16	0.70	4.43	4.43	3.01
Global Bonds (R)	6 799.24	0.13	-0.07	-0.49	-0.49	-15.06
Rand Dollar Exchange Rate	13.06	-0.09	-2.60	-4.58	-4.58	-11.14

Global Equity (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
S&P 500	2 423.41	0.48	2.57	8.24	8.24	15.46
NASDAQ	6 140.42	-0.94	3.87	14.07	14.07	26.80
MSCI Global Equity (\$)	1 916.43	0.25	3.38	9.43	9.43	15.92
MSCI Emerging Markets (\$)	1 010.80	0.54	5.47	17.22	17.22	21.18

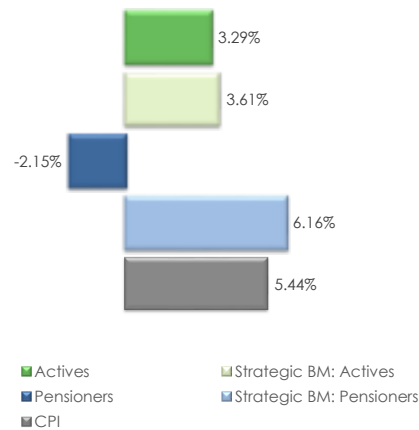
Global Bond (US\$)	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Global Bonds (\$)	520.52	0.22	2.59	4.28	4.28	-4.41

Commodity Prices	Level	1 month (%)	3 months (%)	6 months (%)	YTD (%)	12 months (%)
Brent Oil (USD/Barrel)	48.77	-4.20	-8.89	-14.17	-14.17	-2.58
Platinum (USD/oz)	926.50	-2.32	-2.52	2.60	2.60	-9.43
Gold (USD/oz)	1 241.60	-2.14	-0.60	7.91	7.91	-6.07

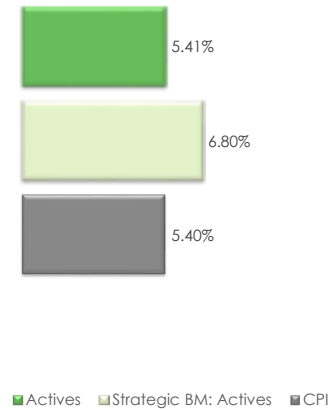
EXECUTIVE SUMMARY



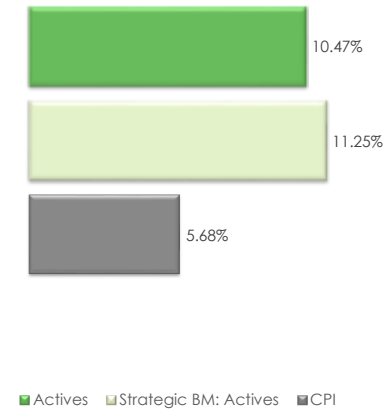
Return for the last 12 months up to 30 June 2017



Return for the last 3 years up to 30 June 2017



Return for the last 5 years up to 30 June 2017



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

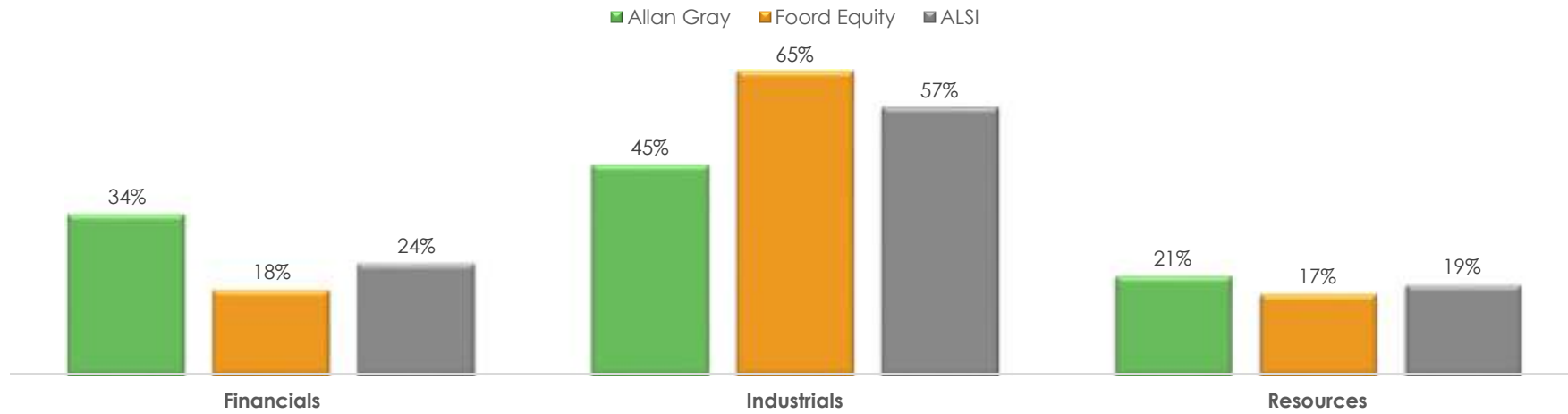
The Cash Flow Table below, gives an indication of the Rand value that has been added to the Anglican Church Of Southern Africa Pension Fund. The added values is divided between cash in/out flows and the return achieved on the Fund's investments over the various periods.

	1 month	3 month	QTD	YTD	12 months	Last 3 years	Last 5 years
Market value at start	1 200 522 796	1 183 500 713	1 183 500 713	1 189 104 013	1 202 791 315	1 105 300 611	861 758 480
Net Cash Flow	(7 561 105)	(9 764 198)	(9 764 198)	(17 686 106)	(51 686 106)	(535 075 860)	(622 117 790)
Return	(17 183 564)	2 041 613	2 041 613	4 360 221	24 672 918	605 553 376	936 137 438
Current market value	1 175 778 128	1 175 778 128	1 175 778 128	1 175 778 128	1 175 778 128	1 175 778 128	1 175 778 128

MOST RECENT STRATEGIC CHANGES

Date	Transferred from	Transferred to	Amount (R)
30 June 2017	Colourfiled	Bank Account	18 000 000
21 June 2017	Investec Treasury	NBAUIS	99 051 110
14 June 2017	Bank Account	Investec Treasury	97 000 000
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.	15.52%	10.27%
Benchmark	14.06%	8.86%

Notes:

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

PORTFOLIO MARKET VALUES AND RETURNS

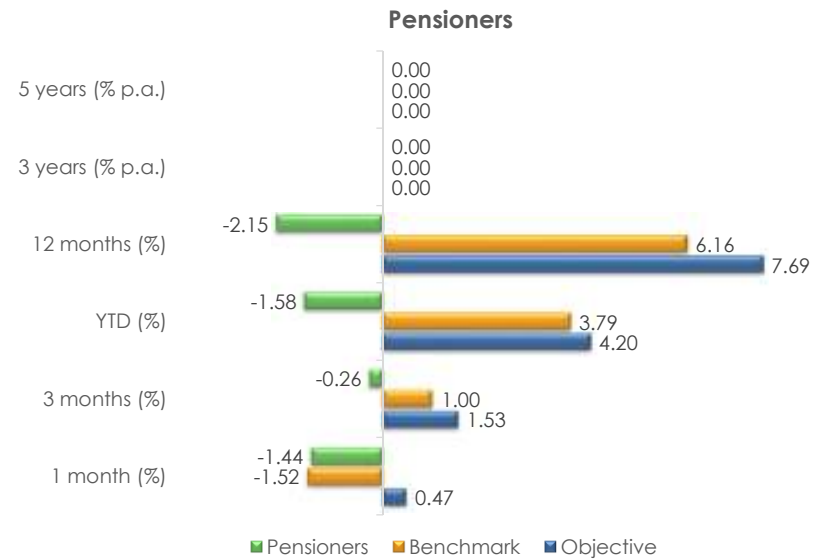
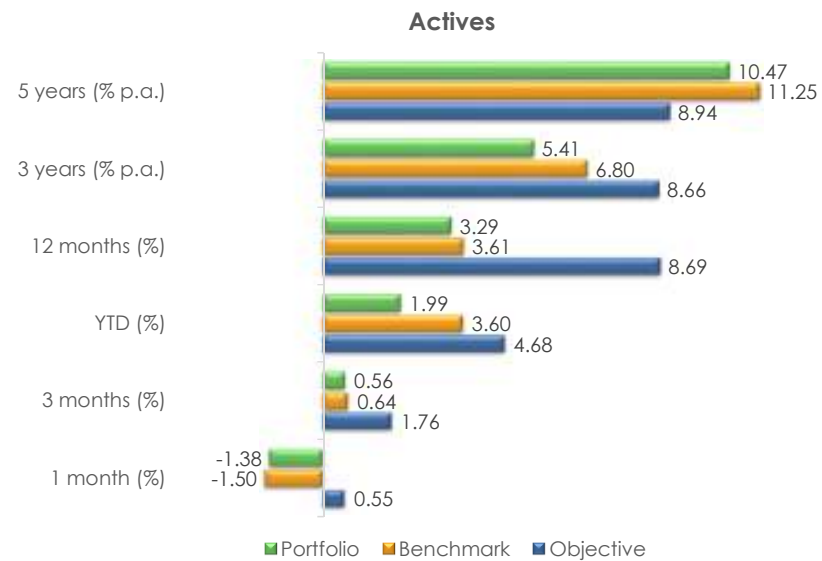
The table below shows the portfolio returns of the Anglican Church Of Southern Africa Pension Fund for various periods and compares it with the respective benchmarks.

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	YTD (%)	12 months (%)	3 years (% p.a.)	5 years (% p.a.)
Actives	633 068 719	53.8	-1.38	0.56	1.99	3.29	5.41	10.47
Benchmark			-1.50	0.64	3.60	3.61	6.80	11.25
			0.12	-0.08	-1.61	-0.32	-1.40	-0.77
Pensioners	542 709 408	46.2	-1.44	-0.26	-1.58	-2.15	-	-
Benchmark			-1.52	1.00	3.79	6.16	-	-
			0.08	-1.27	-5.37	-8.30	-	-

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			-1.38	0.56	1.99	3.29	5.41	10.47
Objective			0.55	1.76	4.68	8.69	8.66	8.94
CPI + 3.25%			-1.93	-1.21	-2.69	-5.40	-3.25	1.54
Pensioners			-1.44	-0.26	-1.58	-2.15	-	-
Objective			0.47	1.53	4.20	7.69	-	-
CPI + 2.25%			-1.91	-1.79	-5.78	-9.84	-	-
Total Fund	1 175 778 128	100						

PORTFOLIO MARKET VALUES AND RETURNS (continued)



Notes:

Returns over periods longer than a year represent annualised returns.

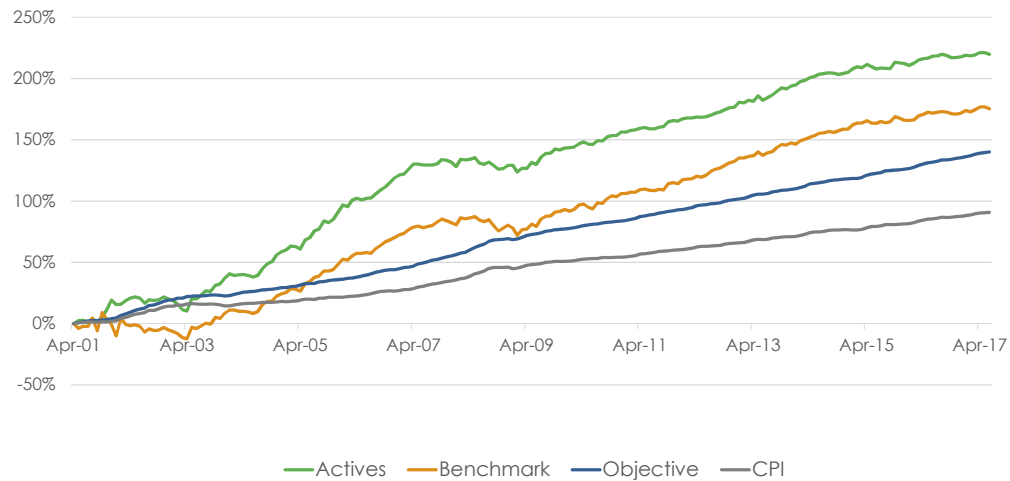
Novare has been tasked to report on the Pensioners and Active portfolio returns separately effective 1 July 2016. The active member portfolio has taken on the historical returns. While the pensioner portfolio returns will have an inception date of 1 July 2016.

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	279 552 228	23.78	-1.54	0.31	0.31	3.21	4.45	9.68	14.87	15.52	
					-1.54	0.45	0.45	-0.36	-0.04	4.94	11.65	14.06	
					0.00	-0.14	-0.14	3.57	4.49	4.74	3.22	1.47	
	Foord Equity ALSI	2013-01-01	137 683 044	11.71	-4.26	-0.22	-0.22	1.59	-0.76	3.31	-	-	10.27
					-3.49	-0.39	-0.39	3.37	1.69	3.43	-	8.86	
					-0.77	0.17	0.17	-1.78	-2.45	-0.11	-	1.42	
SA Bonds	Colourfield All Bond Index	2016-02-01	465 856 346	39.62	-0.95	-0.13	-0.13	-2.66	-4.28	-	-	2.17	
					-0.95	1.49	1.49	3.99	7.93	-	-	11.52	
					-0.00	-1.63	-1.63	-6.65	-12.20	-	-	-9.34	
SA Property	Metope Africa SA Listed Property	2007-07-01	64 222 831	5.46	0.63	1.54	1.54	3.49	2.90	15.66	15.43	14.94	
					0.29	0.91	0.91	2.29	2.82	13.18	13.76	14.27	
					0.34	0.63	0.63	1.20	0.08	2.48	1.66	0.66	
SA Cash	Liberty Standard Money Market Stefi Composite	2002-02-01	8 016 123	0.68	0.64	2.19	2.19	4.25	6.07	3.43	4.43	5.41	
					0.61	1.85	1.85	3.72	7.63	6.93	6.29	7.93	
					0.03	0.33	0.33	0.53	-1.56	-3.50	-1.86	-2.52	
	Liberty Liquid Stefi Composite	2002-02-01	(4 395 592)	-0.37	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	
					-	-	-	-	-	-	-	-	
	Cash in Transit	2002-02-01	18 000 000	1.53	-	-	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	
					-	-	-	-	-	-	-	-	
SA Alternatives	Mayibentsha Focused CPI + 4.5%	2011-07-01	17 614 691	1.50	-0.36	0.61	0.61	2.99	1.88	3.78	7.96	8.85	
					0.65	2.06	2.06	5.27	9.94	9.91	10.19	10.18	
					-1.01	-1.45	-1.45	-2.28	-8.06	-6.13	-2.23	-1.33	
	Futuregrowth CPF CPI + 4%	2007-05-01	20 772 327	1.77	2.82	4.34	4.34	7.00	26.64	18.65	15.28	13.57	
					0.61	1.94	1.94	5.04	9.44	9.41	9.69	10.19	
					2.21	2.40	2.40	1.96	17.20	9.24	5.59	3.39	
International	Novare Global 60% MSCI / 40% JPM	2004-03-01	168 456 129	14.33	0.02	1.50	1.50	6.55	2.62	13.78	19.00	12.10	
					0.15	0.39	0.39	2.44	-4.55	9.20	16.03	10.28	
					-0.13	1.11	1.11	4.11	7.17	4.57	2.98	1.81	
Total Fund			1 175 778 128	100									

Notes:

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

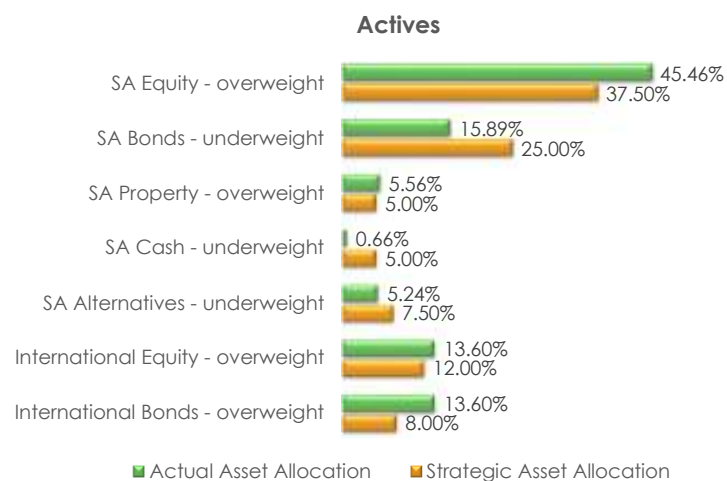
ASSET ALLOCATION

Asset Class	Manager	Actives	Pensioners	Total Fund
SA Equity	Allan Gray	222 728 449	56 823 779	279 552 228
	Foord Equity	110 334 840	27 348 204	137 683 044
SA Bonds	Colourfield	116 428 931	349 427 415	465 856 346
SA Property	Metope	40 767 495	23 455 336	64 222 831
SA Cash	Liberty Liquid	(4 395 592)	-	(4 395 592)
	Liberty Standard Money Market	8 016 123	-	8 016 123
	Cash in Transit	1 187 629	16 812 371	18 000 000
SA Alternatives	Futuregrowth CPF	20 772 327	-	20 772 327
	Mayibentsha Focused	17 614 691	-	17 614 691
International	Novare Global	99 613 827	68 842 303	168 456 129
Total Fund		633 068 719	542 709 408	1 175 778 128

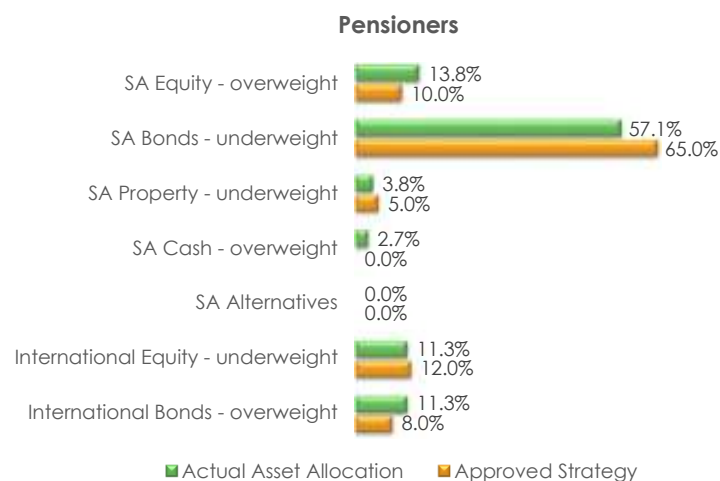
Notes:

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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