



NOVARE[®]
actuaries & consultants

| Monthly Report |
**Anglican Church of
Southern Africa Pension
Fund**

December 2017

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REPORT OVERVIEW

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

The Fund consists of 2 underlying portfolio.

OBJECTIVE

The objective of the Actives pool of assets represents the inflation target of CPI + 3.25%
The objective of the Pensioners pool of assets represents the inflation target of CPI + 2.25%

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees. Please note the performance of the Actives and Pensioner portfolios represents that of the Growth Assets only.

The year end for the Fund is 31 December. The returns for the financial year reflect returns from the end of the last financial year.

Where reference is made to YTD, the performance for the calendar year is indicated.

MARKET OVERVIEW

The performance figures reflected in Section A of this report have been sourced from Reuters.

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

All performance figures for periods greater than 12 months (1 year) are annualised, unless indicated otherwise.

MANAGER PERFORMANCE

The performance figures of the Fund's underlying managers represent the returns as per the manager monthly reports.

BENCHMARK

The benchmark of the Actives pool is as follows:

| Asset Class | Allocation | Benchmark |
|-----------------------|------------|--|
| Domestic Equities | 37.5% | ALSI |
| Domestic Fixed Income | 25% | ALBI |
| Domestic Property | 5% | SA listed Property |
| Domestic Money Market | 5% | STeFI |
| Domestic Alternatives | 7.5% | CPI + 4.5% |
| International | 20% | International Composite: 60% MSCI World / 40% Barclays Global Bond |

The benchmark of the Actives pool is as follows:

| Asset Class | Allocation | Benchmark |
|-----------------------|------------|--|
| Domestic Equities | 10% | ALSI |
| Domestic Fixed Income | 65% | Liability Benchmark |
| Domestic Property | 5% | SA listed Property |
| International | 20% | International Composite: 60% MSCI World / 40% Barclays Global Bond |

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NAC is an Authorised Financial Service Provider in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002. **FSP No. 815.**

NAC is approved by the Financial Services Board in terms of Section 13B of the Pension Funds Act, 24 of 1956, as an Investment Administrator: 24/ 456.

Section A

Market Overview



DOMESTIC MARKET VIEW

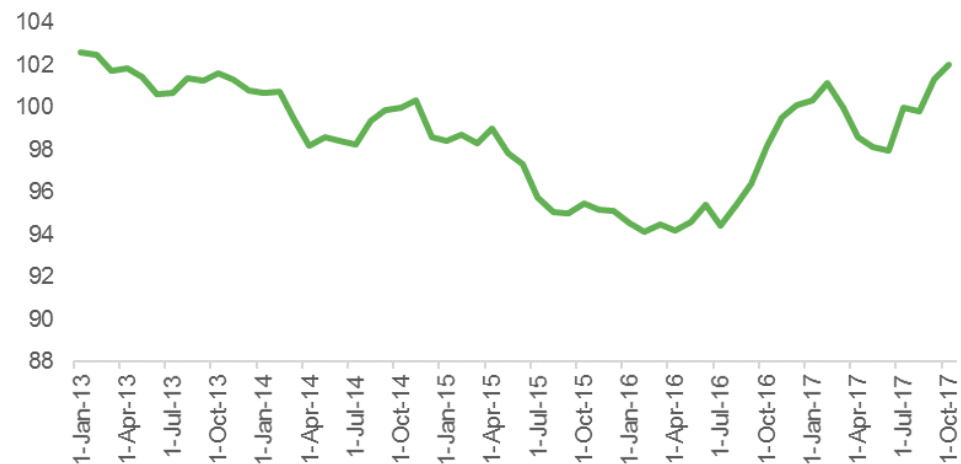


Cyril Ramaphosa emerged victoriously from a tightly contested race and was crowned the new President of the African National Congress (ANC). The rand started the month of December above the R13.60 level against the U.S. dollar and rallied aggressively, all the way to below R12.60 ahead of the announcement as investors grew confident of a Ramaphosa win. Under his leadership, it was widely expected that confidence may be restored in the investment community, hence the positive currency reaction.

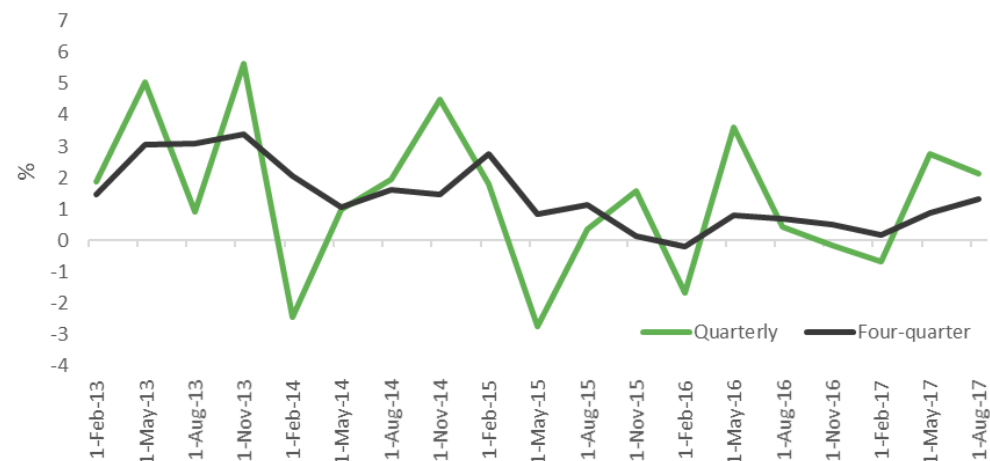
In terms of policy resolutions, the tone from the ANC was more radical than anticipated. Apart from the need to push ahead speedily with free higher education, the ANC committed to amend the constitution and to implement the restitution of land without compensation. After the national elective conference, the rand held steady and remained below the R12.80 mark against the greenback, appreciating nearly 10% against the U.S. dollar for the month.

The confirmation of Ramaphosa being elected as the ANC president boosted the local market, with financials and retailers being the biggest beneficiaries. The strong currency weighed on rand hedges while Steinhoff continued to tumble following the disclosure of the company's questionable accounting practices. Steinhoff declined by more than 90% since the news broke in the public spectrum until the end of December. Overall, the JSE All Share Index lost 0.3% during the month. On a sector basis, the Financial 15, Industrial 25 and Resource 20 Indices returned 9.8%, -4.7% and -1.1% respectively.

Composite Business Cycle Leading Indicator



South Africa GDP



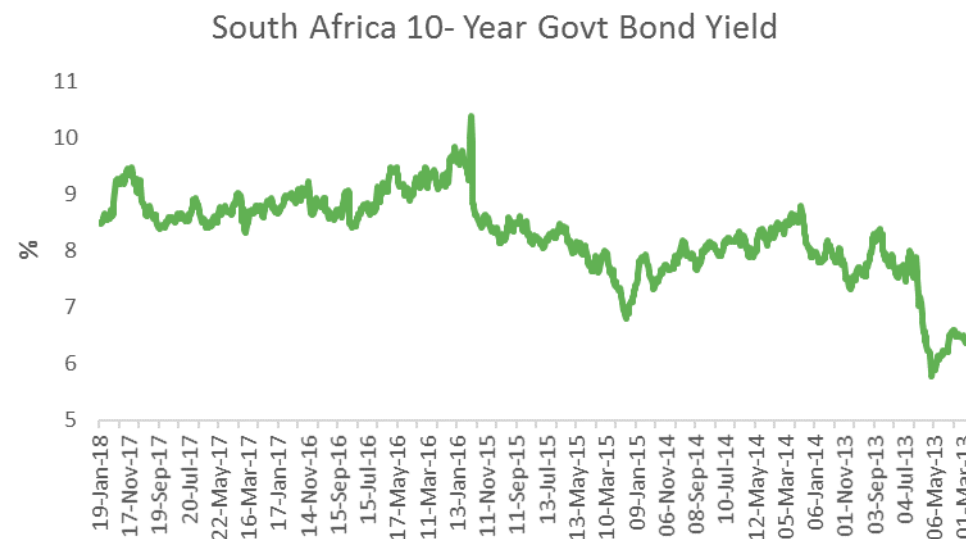
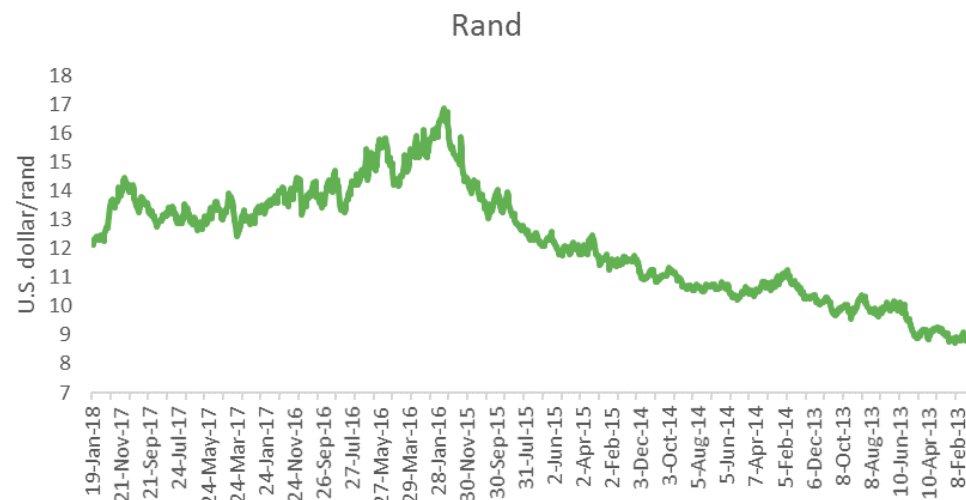
DOMESTIC MARKET VIEW



A compression in credit default swap spreads was observed ahead of the electoral vote, while bond yields traded lower. The yield on the S.A. 10-year touched 8.6% post the announcement (down from 9.3% at the beginning of the month). The All Bond Index gained 5.7% for the month as foreigners were net buyers of local bonds. The S.A. Listed Property Index gained 4.2% in the month while cash returned 0.6%.

While December was mostly about political developments, important local data was also released. The economic recovery (which started off a low base in the second quarter), continued in the third quarter. Third quarter GDP growth rose by 2% quarter-on-quarter which was slightly down from 2.8% during the previous quarter. Most sectors managed to grow over the quarter, with the largest contributions coming from agriculture, mining and manufacturing. Stronger global demand and firmer international commodity prices were the main drivers of the recovery in both the mining and manufacturing sectors. Final consumption expenditure by households increased by 2.6% in the third quarter, however, the growth rate slowed from the 4.7% recorded in the second quarter. The aforementioned may have been a result of weak consumer confidence and high unemployment.

Gross fixed capital formation exceeded expectations in the third quarter, rising by a solid 4.3% following a contraction in the second quarter. The strong rise was surprising given the weak business confidence on the back of elevated political and policy uncertainty.



INTERNATIONAL MARKET VIEW

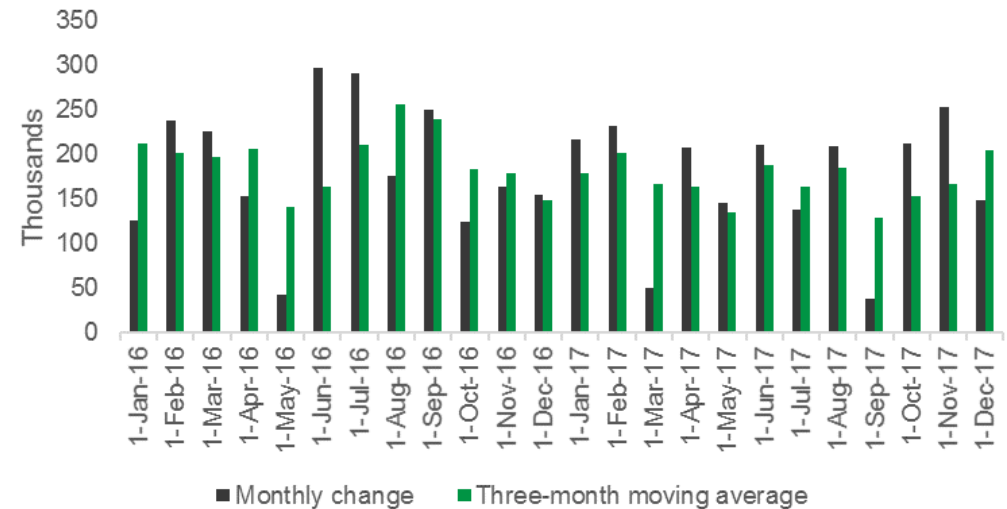
The U.S. economy continued to perform well as it created more jobs than forecast in November, adding 228 000 jobs. The major drivers of the increase stemmed from the professional and business services industry (which added 46 000 jobs), the manufacturing sector, (which contributed 31 000 jobs) and healthcare (contributing 30 000 jobs).

The unemployment rate remained unchanged at 4.1% and wage inflation rose less than expected. Nonetheless, the lack of wage pressure did not deter the U.S. Fed from increasing the interest rate by 25 basis points (as was widely expected).

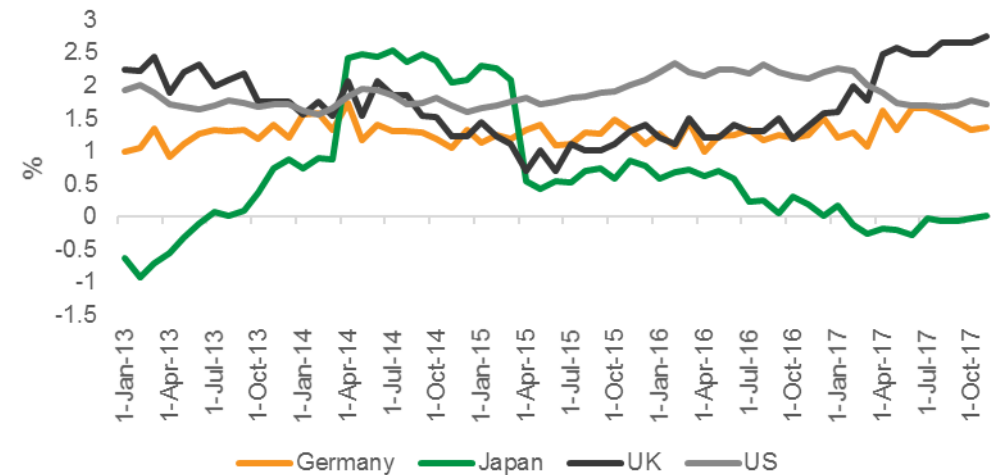
The European Central Bank kept its monetary policy unchanged while raising its growth forecasts for the region, with the Bank of England also keeping its key interest rates unchanged. The Bank of Japan remained pat while signalling that it is likely to lag its overseas peers in ending crisis-mode easing, with inflation remaining below target. This was despite a strengthening economy.

On the data front, U.S. consumer inflation accelerated from 2% in October to 2.2% in November (year-on-year) as fuel prices increased at a faster pace. During the month, consumer prices increased by 0.4% (again driven by fuel prices). U.S. retail sales growth accelerated to from 0.5% in October to 0.8% in November (month-on-month). Most retail sale categories increased during the month of November with the approach of the holiday and festive season. On the European front, third quarter Eurozone GDP growth slowed from 0.7% to 0.6% in the second quarter. The biggest drivers of third quarter growth were household consumption expenditure, fixed investment and exports.

U.S. Non-Farm Payrolls



OECD Core Inflation



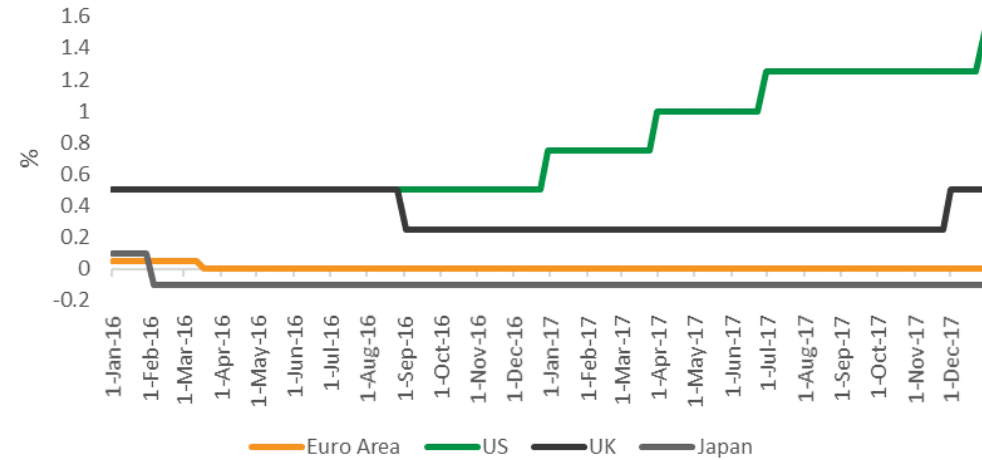
INTERNATIONAL MARKET VIEW

Global markets fluctuated in response to mixed expectations about President Donald Trump's ability to push through a signature tax overhaul. Wall Street traded higher following the signing of a tax bill by President Trump that cuts the corporate tax rate from 35% to 21%.

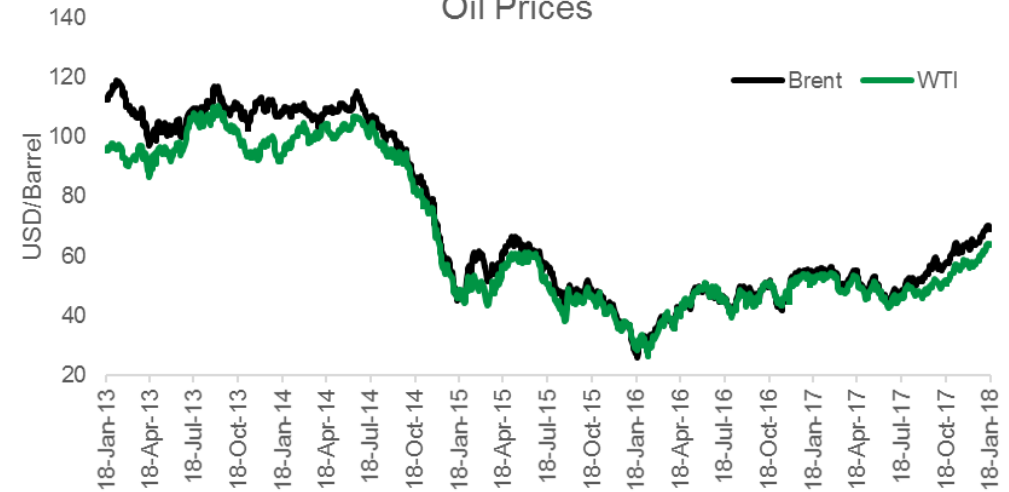
Global equities had another solid month with continued support from macroeconomic conditions in what many market commentators called a "Goldilocks environment" – one that is not too cold nor too hot. The MSCI World Index gained 1.4% during the month to push its year-to-date return up to 22.4%. The energy sector led markets higher whereas the IT sector ended in the red. The S&P 500 and the tech-heavy Nasdaq returned 1.1% and 0.4% respectively.

In Europe, the FTSE 100 gained a healthy 4.9% to reach a new all-time high. After marginal gains last month, the MSCI Emerging Market Index returned 3.4%. Global bonds were slightly stronger in the month, this was reflected in the Barclays Global Bonds Index, which returned 0.3% in the month. On the commodities front, Brent Crude was up 6.2%, while gold returned 1.3%.

G4 Policy Rates



Oil Prices



TACTICAL ASSET ALLOCATION

RSA BONDS

The strong “Ramaphosa rally” during December caused 10-year yields to fall (and valuations to rise) from well over 9% to around 8.6% at year-end. Despite the divided ANC leadership committee (that has competing policy approaches), investors interpreted Ramaphosa’s win as an opportunity for the country to introduce much-needed reforms and lift business and consumer sentiment. The prospect for improved fiscal responsibility also aided the credit rating outlook. Moody’s credit rating pardon in November brought about improved sentiment and helped lower risk perceptions among both local and offshore investors. This led to a strong rally in domestic bonds as well as the rand.

The short-term risk of further credit downgrades, that would lead to South Africa being excluded from major global bond indexes, has declined slightly but cannot be disqualified in the long-term. Rating agencies might give Mr Ramaphosa the benefit of the doubt and adopt a wait-and-see approach before changing South Africa’s rating.

The risks affecting bond investors are mainly external in nature. Commodity prices and U.S. Treasury yields are dominant drivers of South African bond yields, therefore, any increase in treasury yields and/or weakness in commodity prices would weaken the rand and push local yields higher.

Given the aforementioned points, we have maintained an underweight position in local bonds.

RSA PROPERTY, ALTERNATIVES AND CASH

In the absence of other options, money market investments provide the best capital protection in the short-term. Cash is, therefore, the balancing item.

We have maintained an underweight position in South African Listed Property. Whilst the sector has benefitted from the improved inflation and interest rate outlook, weak medium-term economic growth prospects in South Africa, as well as the credit rating downgrades, have increased the risks to the sector somewhat.

RSA EQUITIES

Despite losing some ground in the latter part of Q4 2017, local equities became somewhat more expensive towards the end of the year. The FTSE/JSE ALSI 12-month forward P/E rose to around 15.4X at quarter-end from around 14.6X in Q3. This is moderately expensive when compared to its long-term fair value (and, of course, considering for Naspers which accounts for over 20% of the market).

The improved local economic growth outlook, coupled with an expected increase in business and consumer confidence should be supportive of the local equity market. While the strategy of owning rand-hedge stocks is perhaps no longer an almost-guaranteed bet, exposure to cyclical non-resource stocks exposed to foreign markets over their domestic counterparts may

be beneficial. The fact that commodity headwinds to the currency’s performance remain intact implies that domestically-driven stocks may underperform in the near term. Given the aforementioned factors, we maintained our underweight position.

INTERNATIONAL

Global equity fundamentals remain supportive. U.S. tax cuts will soon be implemented and given the continued upturn in global growth (while there is some apparent complacency) the consensus is overwhelmingly bullish. One should keep in mind that growth momentum remains resilient and earnings are set to continue to grow while central bank tightening is still in early stages. Even against this backdrop, one should gradually stand guard for the traditional catalyst for a bear market, namely higher inflation and tighter monetary conditions. Overall, equities remain attractive when compared to other asset classes.

NOVARE HOUSE VIEW: December 2017

| | TACTICAL POSITIONING* | | | | PREVIOUS |
|-----------------|-----------------------|-----------|---------------|--|---------------------|
| | UNDER-WEIGHT ← | ON-WEIGHT | → OVER-WEIGHT | | |
| DOMESTIC | Under-weight | | | | Under-weight |
| Equities | 95% | | | | 95% |
| Bonds | 95% | | | | 95% |
| Property | 85% | | | | 85% |
| Alternatives | | 100% | | | 100% |
| Cash | | Balancing | | | 100% |
| OFFSHORE | | | 120% | | 120% |
| Equities | | | 105% | | 105% |
| Bonds | | 70% | | | 70% |
| Alternatives | | | 125% | | 125% |
| AFRICA | | 100% | | | |

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, domestic bonds and domestic property whilst maintaining an overweight to International assets. Due to the limit of 25% to international assets (30% if a minimum 5% Africa exposure is held), the balance of any domestic assets will be invested in cash.

| |
|----------------|
| ++ |
| + |
| Neutral |
| - |
| -- |

MARKET PERFORMANCE

| Global Assets (US\$) | 1 month | 3 months | 6 months | YTD | 12 months |
|----------------------------------|---------|----------|----------|-------|-----------|
| MSCI All Countries Equity | 1.6% | 5.8% | 11.5% | 14.6% | 24.6% |
| MSCI Emerging Markets | 3.6% | 7.5% | 16.1% | 20.9% | 37.8% |
| Global Bonds | 0.1% | 1.0% | 2.7% | 4.0% | 7.0% |

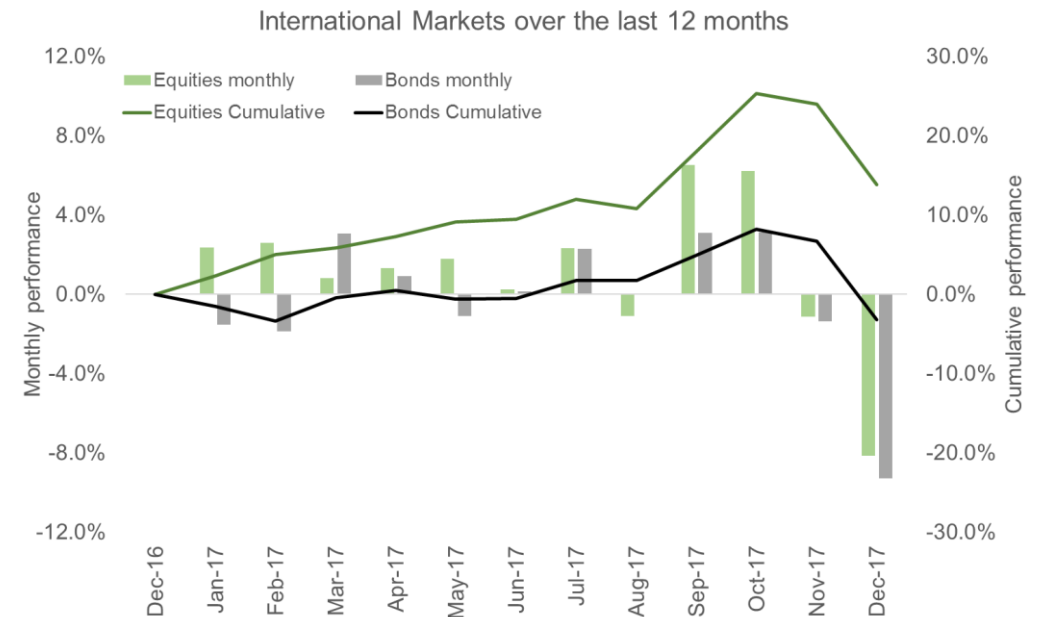
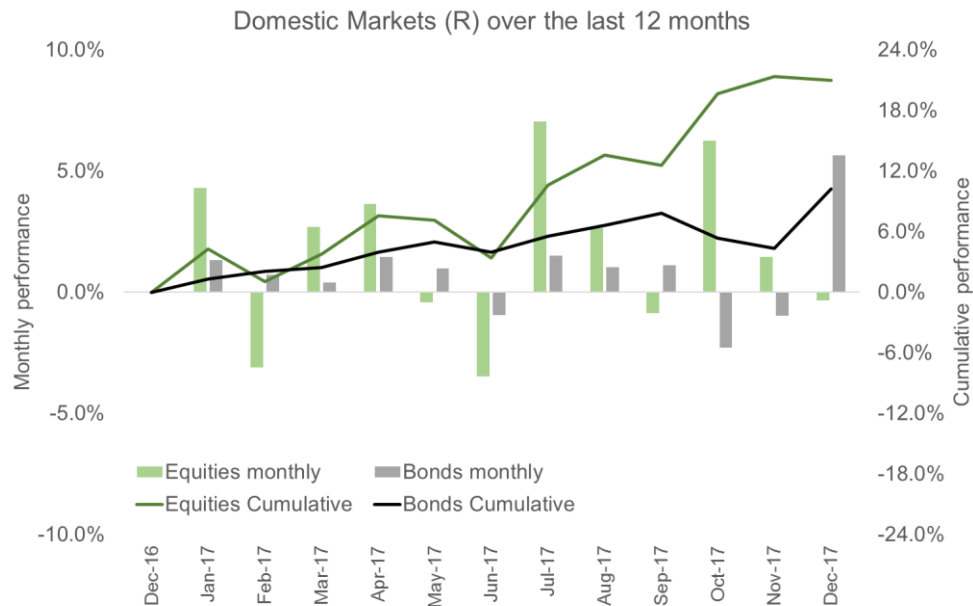
| Commodity Prices | 1 month | 3 months | 6 months | YTD | 12 months |
|-------------------------------|---------|----------|----------|-------|-----------|
| Brent Oil (USD/Barrel) | 6.2% | 17.1% | 36.4% | 27.8% | 17.1% |
| Platinum (USD/oz) | -1.1% | 1.9% | 0.3% | -1.5% | 2.9% |
| Gold (USD/oz) | 1.7% | 1.4% | 4.4% | 2.2% | 12.7% |

| Asset Allocation (Rand) | 1 month | 3 months | 6 months | YTD | 12 months |
|-------------------------|---------|----------|----------|-------|-----------|
| Domestic Equities | -0.3% | 7.4% | 17.0% | 12.5% | 21.0% |
| Domestic Bonds | 5.7% | 2.2% | 6.0% | 6.0% | 10.2% |
| Domestic Cash | 0.6% | 1.8% | 3.7% | 5.0% | 7.5% |
| Domestic Property | 4.2% | 8.3% | 14.5% | 15.0% | 17.2% |
| International Equity | -8.1% | -3.5% | 4.1% | 6.2% | 13.9% |
| International Bonds | -9.3% | -7.7% | -2.7% | -3.7% | -3.2% |
| Exchange rate (R / \$) | -9.4% | -8.6% | -5.3% | -7.4% | -9.6% |

Scale:

Best performing asset class

Worst performing asset class



Section B

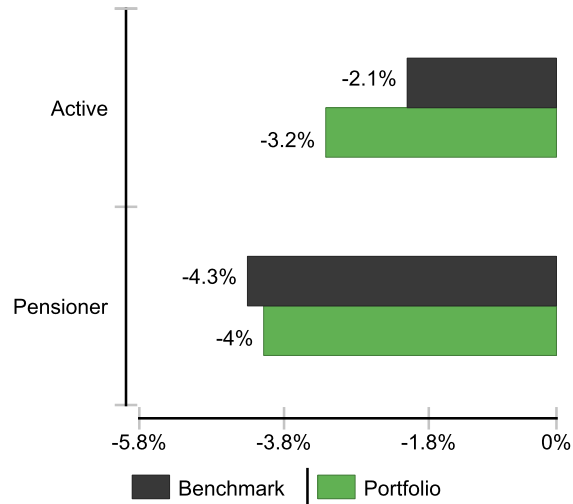
Fund Overview



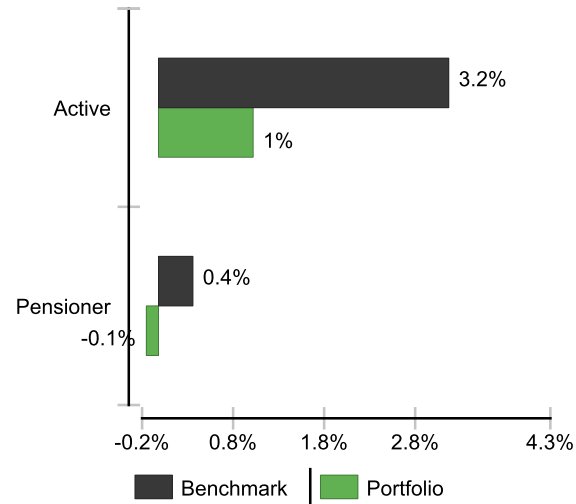
EXECUTIVE SUMMARY



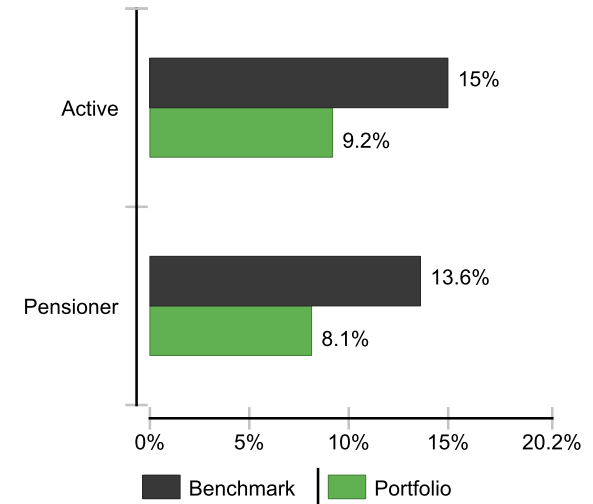
Monthly return for December 2017



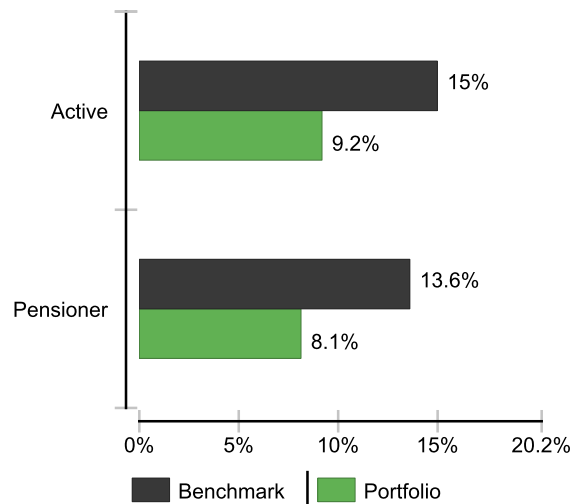
3 Months return up to December 2017



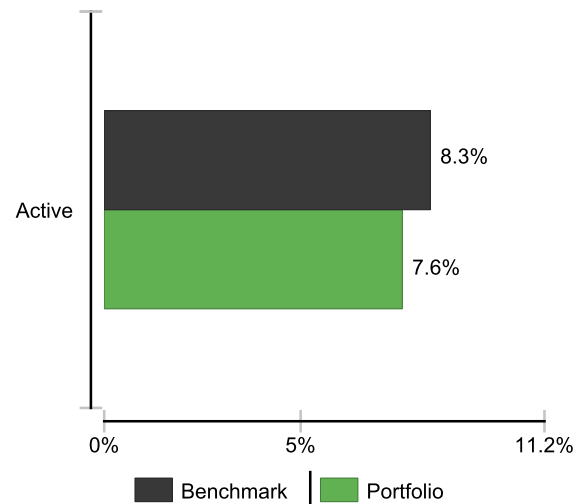
Return from the end of the financial year to December 2017



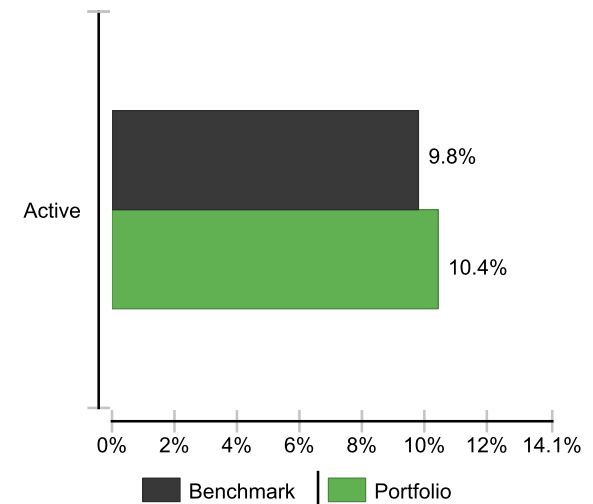
Return for the last 12 months up to December 2017



Return for the last 3 years up to December 2017



Return for the last 5 years up to December 2017



PORTFOLIO MARKET VALUES AND RETURNS

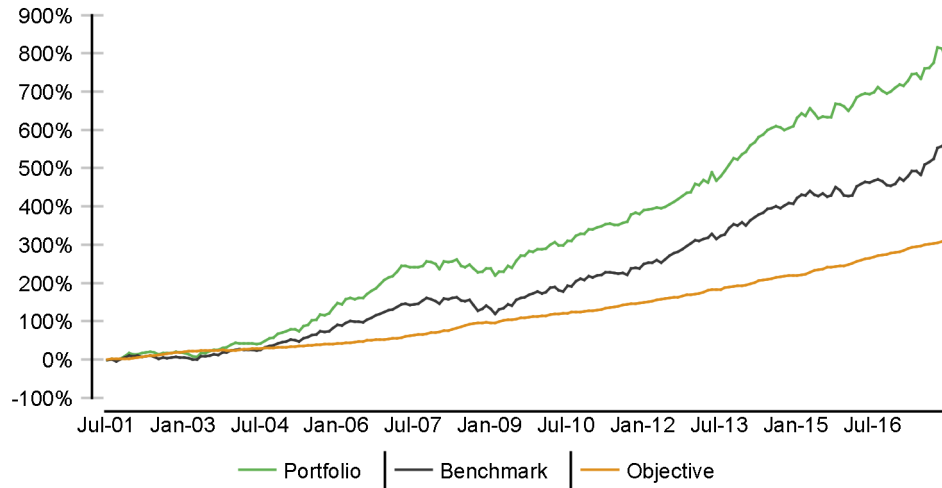
The table below sets out the portfolio returns of the funds over the various periods in comparison with their respective benchmarks.

| | Market value (R) | Weight (%) | 1 month (%) | 3 months (%) | YTD (%) | 12 months (%) | 3 years (% p.a.) | 5 years (% p.a.) |
|----------------------|------------------|------------|-------------|--------------|---------|---------------|------------------|------------------|
| Active | 662,154,139.1 | 54.7 | -3.2 | 1.0 | 9.2 | 9.2 | 7.6 | 10.4 |
| Strategic Benchmark | | | -2.1 | 3.2 | 15.0 | 15.0 | 8.3 | 9.8 |
| | | | -1.1 | -2.1 | -5.8 | -5.8 | -0.7 | 0.6 |
| Pensioner | 548,798,383.4 | 45.3 | -4.0 | -0.1 | 8.1 | 8.1 | - | - |
| Strategic Benchmark | | | -4.3 | 0.4 | 13.6 | 13.6 | - | - |
| | | | 0.2 | -0.5 | -5.5 | -5.5 | - | - |
| Active | | | -3.2 | 1.0 | 9.2 | 9.2 | 7.6 | 10.4 |
| Investment Objective | | | 0.4 | 1.7 | 7.9 | 7.9 | 8.6 | 8.7 |
| | | | -3.5 | -0.6 | 1.3 | 1.3 | -1.0 | 1.8 |
| Pensioner | | | -4.0 | -0.1 | 8.1 | 8.1 | - | - |
| Investment Objective | | | 0.3 | 1.4 | 6.9 | 6.9 | - | - |
| | | | -4.3 | -1.5 | 1.3 | 1.3 | - | - |
| | 1,210,952,522.5 | 100.0 | | | | | | |

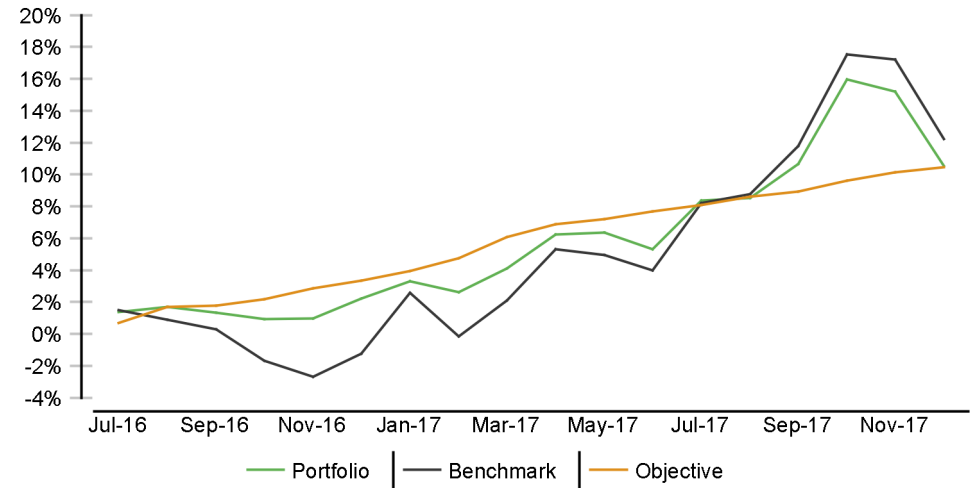
LONG TERM RETURNS

Longer term returns should be used to assess the Fund's performance when compared to the benchmark as short term volatility may distort short term performance measurement.

Active - Cumulative returns since 30 June 2001



Pensioner - Cumulative returns since 30 June 2016



MANAGER PERFORMANCE

The table below sets out the individual manager returns for funds and compares them with their respective benchmarks.

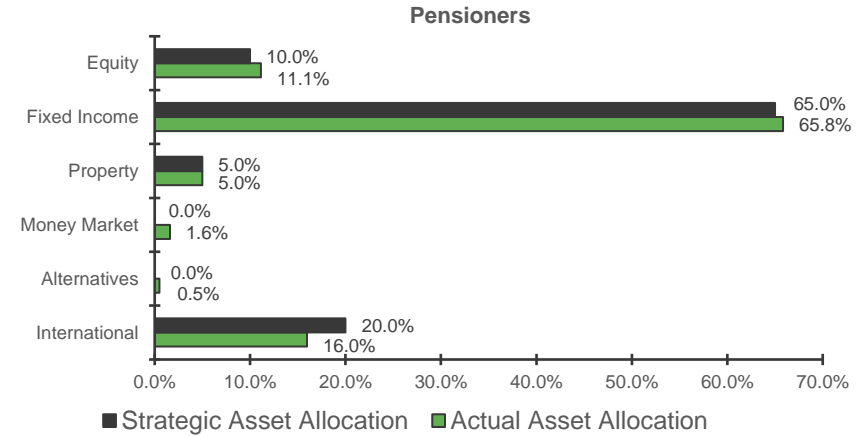
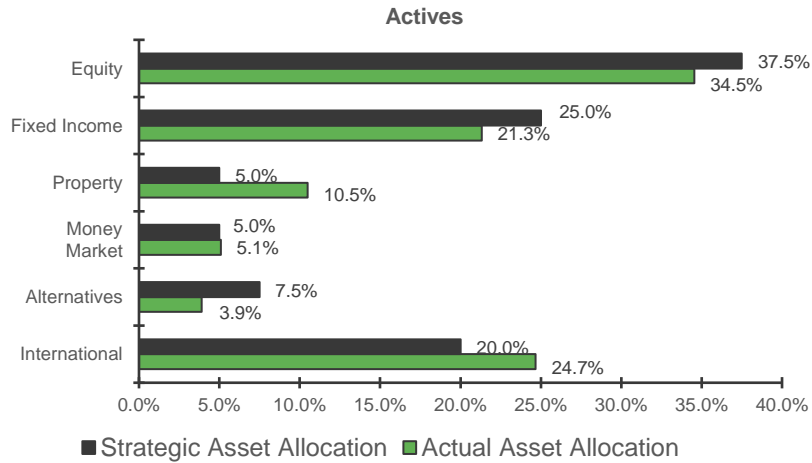
| Asset Class | Manager | Inception date | Market value (R) | Weight (%) | 1 month (%) | 3 months (%) | QTD (%) | YTD (%) | 12 months (%) | 3 years (% p.a.) | 5 years (% p.a.) | Since Inception |
|-------------------|--|----------------|------------------|------------|-------------|--------------|---------|---------|---------------|------------------|------------------|-----------------|
| Equity | Foord Domestic Equity ALSI | 2012/12/31 | 141,934,301.4 | 11.7 | -6.2 | -0.4 | -0.4 | 3.6 | 3.6 | 2.9 | 9.9 | 9.9 |
| | | | | | -0.3 | 7.4 | 7.4 | 21.0 | 21.0 | 9.3 | 11.9 | 11.9 |
| | | | | | -5.9 | -7.9 | -7.9 | -17.3 | -17.3 | -6.3 | -2.0 | -2.0 |
| Fixed Income | Colourfield Liability Benchmark | 2016/02/29 | 472,708,121.4 | 39.0 | 9.3 | 0.8 | 0.8 | -1.8 | -1.8 | - | - | 1.4 |
| | | | | | 9.4 | 0.6 | 0.6 | -2.5 | -2.5 | - | - | 1.1 |
| | | | | | 0.0 | 0.3 | 0.3 | 0.6 | 0.6 | - | - | 0.3 |
| Property | Futuregrowth Community Property Fund CPI + 4% | 2007/04/30 | 22,015,718.5 | 1.8 | 2.9 | 4.4 | 4.4 | 14.1 | 14.1 | 19.3 | 15.4 | 13.6 |
| | | | | | 0.4 | 1.8 | 1.8 | 8.6 | 8.6 | 9.3 | 9.4 | 10.1 |
| | | | | | 2.4 | 2.5 | 2.5 | 5.4 | 5.4 | 10.0 | 5.9 | 3.4 |
| | Metope Structured Product SA Listed Property | 2007/06/30 | 74,727,417.3 | 6.2 | 3.4 | 8.7 | 8.7 | 20.4 | 20.4 | 14.2 | 16.0 | 15.9 |
| | | | | | 4.2 | 8.3 | 8.3 | 17.2 | 17.2 | 11.7 | 13.9 | 15.1 |
| | | | | | -0.8 | 0.4 | 0.4 | 3.3 | 3.3 | 2.5 | 2.2 | 0.8 |
| Money Market | Liberty Cash Stefi Composite | 2002/01/31 | 11,257,282.5 | 0.9 | 0.8 | 2.0 | 2.0 | 8.2 | 8.2 | 5.8 | 5.3 | 5.5 |
| | | | | | 0.6 | 1.8 | 1.8 | 7.5 | 7.5 | 7.1 | 6.5 | 7.9 |
| | | | | | 0.2 | 0.2 | 0.2 | 0.7 | 0.7 | -1.3 | -1.2 | -2.4 |
| Alternatives | Mayibentsha Focused CPI + 4.5% | 2011/07/31 | 16,320,123.7 | 1.3 | -0.5 | -1.3 | -1.3 | 2.4 | 2.4 | 2.8 | 6.3 | 8.0 |
| | | | | | 0.5 | 2.0 | 2.0 | 9.1 | 9.1 | 9.8 | 9.9 | 10.0 |
| | | | | | -0.9 | -3.2 | -3.2 | -6.7 | -6.7 | -7.1 | -3.6 | -1.9 |
| International | Novare Global Balanced Composite 60 Equity/ 40 Bonds | 2004/01/31 | 169,070,619.0 | 14.0 | -8.4 | -5.8 | -5.8 | 10.0 | 10.0 | 12.2 | 17.1 | 11.8 |
| | | | | | -8.4 | -5.1 | -5.1 | 7.7 | 7.7 | 6.0 | 9.1 | 6.9 |
| | | | | | -0.1 | -0.7 | -0.7 | 2.3 | 2.3 | 6.2 | 8.0 | 4.9 |
| Multi Asset Class | Allan Gray Equity Alexander Forbes Large Manager Watch | 2001/06/30 | 302,918,938.7 | 25.0 | -1.4 | 3.4 | 3.4 | 12.1 | 12.1 | 12.7 | 14.7 | 15.4 |
| | | | | | -1.9 | 1.8 | 1.8 | 10.9 | 10.9 | 7.7 | 11.4 | 14.1 |
| | | | | | 0.6 | 1.6 | 1.6 | 1.3 | 1.3 | 5.0 | 3.3 | 1.3 |
| | | | 1,210,952,522.5 | 100.0 | | | | | | | | |

ASSET ALLOCATION

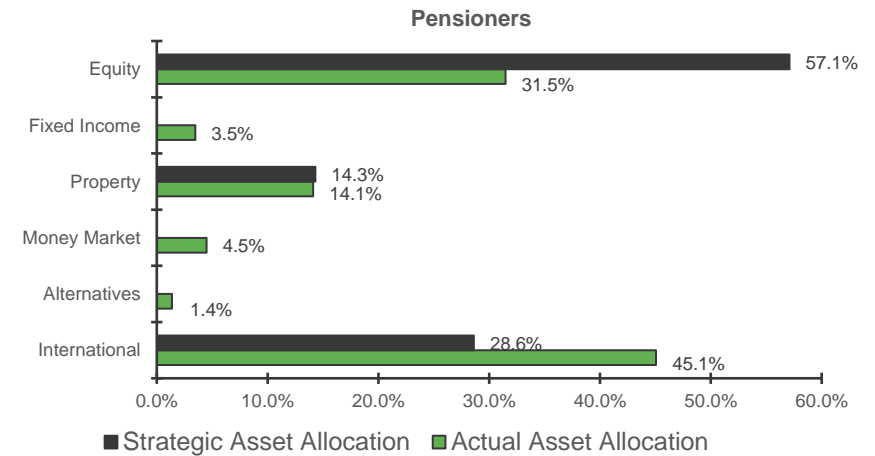
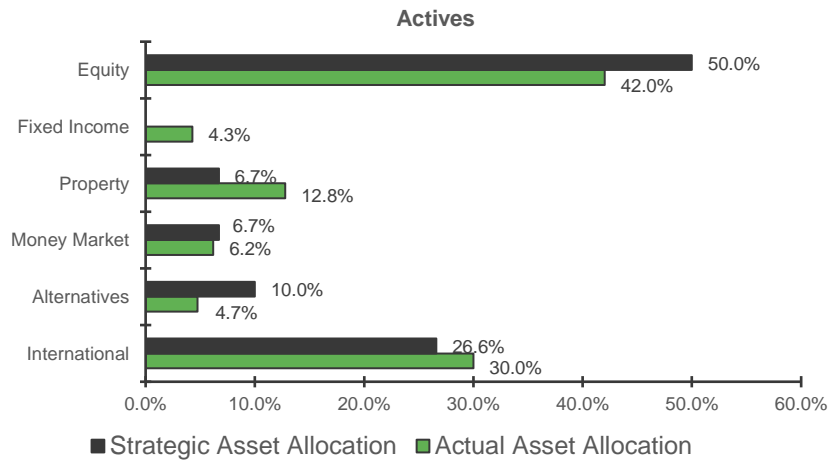
| | Manager | Active | Pensioner | Total fund |
|-------------------|--------------------------------------|----------------------|----------------------|------------------------|
| Equity | Foord Domestic Equity | 114,039,552.9 | 27,894,748.6 | 141,934,301.5 |
| Fixed Income | Colourfield | 118,141,357.6 | 354,566,763.8 | 472,708,121.4 |
| Property | Futuregrowth Community Property Fund | 22,015,718.5 | - | 22,015,718.5 |
| | Metope Structured Product | 47,435,616.9 | 27,291,800.4 | 74,727,417.3 |
| Money Market | Liberty Cash | 9,509,051.7 | 1,748,230.9 | 11,257,282.5 |
| Alternatives | Mayibentsha Focused | 16,320,123.7 | - | 16,320,123.7 |
| International | Novare Global Balanced | 99,977,195.0 | 69,093,424.0 | 169,070,619.0 |
| Multi Asset Class | Allan Gray Equity | 234,715,522.9 | 68,203,415.8 | 302,918,938.7 |
| Total fund | | 662,154,139.2 | 548,798,383.4 | 1,210,952,522.6 |

ASSET ALLOCATION - LOOK THROUGH

Total Asset Allocation



Growth Asset Allocation



Section C

Glossary



INVESTMENT GLOSSARY

ALTERNATIVE INVESTMENTS

Any non-traditional asset class. Investing in these generally provides a portfolio with greater diversification.

ANNUALISED RETURN

Where a cumulative return is over a period greater than a year, an annualised return is what the return is when converted into annual periods. For example, if the cumulative return over a 3-year period was 6%, the annualised return would be approximately 2% p.a. It means the investment earned an effective return of around 2% each year over the 3-year period (to arrive at the 6%).

ASSET CLASS

A type of investment, such as equities, bonds, cash, private equity etc.

BENCHMARK

What a portfolio, asset class or investment manager is judged against.

BENCHMARK PERFORMANCE

The performance return of an investment manager's benchmark or a Fund's strategic asset allocation.

BOND

A bond is issued by a company or country where it borrows money from the market, with a promise to repay it back. Bonds are characterised by what interest is paid back each year, and how long the term of the bond is.

CPI

Consumer price index. It is commonly used to identify periods of inflation or deflation.

CREDIT RATING

The rating given by a credit-rating agency, based on its view of the financial wellbeing of a company or country and the likelihood of default (i.e. inability to meet debt obligations). The highest rating is usually AAA, and the lowest is D.

CRISA

Code of Responsible Investing in South Africa.

CUMULATIVE RETURN

The aggregated return of an investment over a particular time-period.

DERIVATIVES

A derivative is a security of which the price is dependent upon or derived from one or more underlying assets.

EQUITY

Referring to the asset class, equity describes the ownership of a company. An individual or financial institution can own part of the company by buying equity shares or stocks. These are generally traded on a stock exchange, such as the Johannesburg Stock Exchange.

FUND OBJECTIVE

The investment objective that a Fund portfolio is trying to achieve. This is generally a return in excess of CPI. Eg CPI + 3% per annum.

INVESTMENT GLOSSARY

A hand in a dark suit sleeve points towards a document. The document features several charts and tables. On the left, there are two pie charts. The first pie chart has three segments, with the largest being blue. The second pie chart has four segments, with the largest being blue. To the right of the pie charts is a table with columns and rows of data. The background is a light blue color.

HEDGE FUND

A type of alternative asset class. Here the investment manager generally invests in traditional asset classes, but has more tools to express their view of the market. Hedge funds look to protect capital in times of market falls and offer diversification from traditional asset classes.

INDEX

A benchmark measure to gauge how an asset class has performed. For example, the JSE All Share index is a measure to gauge how South African equities have performed.

INFLATION

The increase (or decrease) in the price of goods. For example, if inflation over the year was 5%, this means that prices rose by 5% over the period.

INTERNATIONAL

The assets of a Fund that are invested outside of South Africa. Exposure is limited to 25% per Regulation 28 of the Pension Fund, or 30% subject to 5% being invested in Africa.

INVESTMENT OBJECTIVE

The target that an investment fund or portfolio is trying to achieve.

INVESTMENT POLICY STATEMENT (IPS)

A document which sets out the investment aspects of the Fund, including its Fund objectives and describes the various strategies followed to meet them.

MONTHLY RETURN

The performance return over a month.

MANDATE

An investment manager's portfolio and objective.

OVERWEIGHT

To have a higher allocation in a particular asset class or security than what the comparable benchmark indicates.

PERFORMANCE

How much the value of a portfolio or instrument has grown by over a particular period.

PRIVATE EQUITY

An alternative asset class where investors buy equity ownership of a company but where the equity is not listed on a stock exchange.

PROPERTY

An asset class where one invests in property either directly (ie buying a property) or indirectly (ie buying property shares on the stock exchange).

PROTECTED EQUITY

An asset class giving the investor exposure to equities, but whilst also offering protection against market falls.

INVESTMENT GLOSSARY

A hand in a dark suit sleeve points towards a document. The document features several charts, including pie charts and a table. One pie chart is labeled with 'Energy', 'Industrial', and 'Agriculture'. Another pie chart shows '75%' and '25%'. A table to the right has columns for 'Global Equities', 'Global Bonds', and 'Global Real Estate'.

REGULATION 28

Refers to regulation 28 of the Pension Funds Act, i.e. the guidelines for South African retirement funds which is aimed at ensuring Funds are not taking on too much risk, by limiting the excessive use of specific investment instruments, markets and asset classes.

REPO RATE

The interest rate which the Reserve Bank lends money to the commercial banks. An increase in the repo rates puts pressure on commercial banks to increase the prime rate.

SHARPE RATIO

A statistical measure indicating the reward for taking on an additional unit of risk. A high positive value is ideal as it indicates that for the risk taken, positive returns were achieved.

STRATEGIC ASSET ALLOCATION

This is the target that a Fund portfolio should be invested in over the long term across various asset classes. The strategic asset allocations are designed to help meet the Fund objective.

TACTICAL ASSET ALLOCATION

These are deviations made away from the strategic asset allocation with the aim of enhancing performance based on views of the investment markets.

TRACKING ERROR

A statistical measure indicating the deviation or difference of a portfolio's return compared to its benchmark return.

TRADITIONAL ASSET CLASS

This generally refers to equities, bonds, cash and property

UNDERWEIGHT

To have a lower allocation in a particular asset class or security than what the comparable benchmark indicates.

VOLATILITY

A risk measure characterised by the standard deviation of portfolio returns. The higher the value, the higher expected risk.

YEAR-TO-DATE ("YTD")

The performance return since the beginning of the latest calendar year

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