

ANNUAL FINANCIAL STATEMENTS

**NAME OF RETIREMENT FUND: ANGLICAN CHURCH OF SOUTHERN AFRICA
RETIREMENT FUND**

**FINANCIAL SERVICES BOARD
REGISTRATION NUMBER: 12/8/26724**

FOR THE PERIOD: 1 JANUARY 2016 to 31 DECEMBER 2016

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* Not subject to any engagement by an auditor

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

**SCHEDULE A
REGULATORY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

REGISTERED OFFICE OF THE FUND

Postal address: Church of the Province of Southern Africa
Braehead House
1 Braehead Road
Kenilworth
7700

Physical address: Church of the Province of Southern Africa
Braehead House
1 Braehead Road
Kenilworth
7700

FINANCIAL REPORTING PERIODS

Current year: 1 January 2016 to 31 December 2016
Prior year: 1 January 2015 to 31 December 2015

BOARD OF FUND

Full name	E-mail Address	Capacity	Date appointed	Date of change in Capacity
Dr S Seoka	sseoka@lantic.net	E	18 November 2016	18 November 2016
Advocate R Bracks	raynoldb@telkomsa.net	E	18 November 2016	18 November 2016
The Most Reverend T Makgoba	archbishop@anglicanchurchsa.org.za	E C	18 November 2016	18 November 2016
Mr R Rogerson	rogerson@anglicanchurchsa.org.za	M	18 November 2016	18 November 2016
Mrs S Robberts	admin@georgediocese.org.za	M	18 November 2016	
Ms. T Makhu	tholoanam@gmail.com	M	2 September 2013	18 November 2016
Bishop Steven Molopi Diseko	bishopstephen@diocesematlosane.co.za	E	18 November 2016	18 November 2016
The Most Reverend T Makgoba	archbishop@anglicanchurchsa.org.za	S C	18 November 2016	
Advocate R Bracks	raynoldb@telkomsa.net	S	18 November 2016	
Ms RA Manning	archbishop@anglicanchurchsa.org.za	S	18 November 2016	
Mrs S Roberts	admin@georgediocese.org.za	S	18 November 2016	
Dr S Seoka	sseoka@lantic.net	S	18 November 2016	
Bishop Steven Molopi Diseko	bishopstephen@diocesematlosane.co.za	S	18 November 2016	
Mr R Rogerson	rogerson@anglicanchurchsa.org.za	S	18 November 2016	

- 'M' denotes member elected
- 'E' denotes employer appointed
- 'C' denotes chairperson
- 'S' denotes sponsor/trustee elected
- 'S' denotes section 26(2) appointed

Governance note: schedule of meetings* held by the Board of Fund in terms of the rules of the fund

Meeting date	Place of meeting	Quorum (yes/no)
1 March 2016	Diocese of Highveld, Benoni	Yes
21 June 2016	Diocese of Highveld, Benoni	Yes
29 November 2016	Diocese of Highveld, Benoni	Yes
28 February 2017	Diocese of Highveld, Benoni	Yes

* Only meetings held by the Board of Fund and does not include meetings held by the sub-committees

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

FUND OFFICERS

	Principal Officer	Monitoring Person*
Full name:	Robert Rogerson	Robert Rogerson
Postal address:	P O Box 53014 Kenilworth 7745	P O Box 53014 Kenilworth 7745
Physical address:	1 Braehead Road Kenilworth 7745	1 Braehead Road Kenilworth 7745
Date of appointment:	02 September 2013	
Telephone number:	(021) 465 1557	(021) 465 1557
Email address:	rogerson@anglicanchurchsa.org.za	rogerson@anglicanchurchsa.org.za

*(In terms of Section 13A of the Pension Funds Act)

	Actuary	Auditor
Full name:	Mathias Sithole	Deloitte & Touche
Postal address:	P O Box 2094 Johannesburg 2000	Private Bag X6 Gallo Manor 2025
Physical address:	25 Ameshoff Street Libridge Building Braamfontein 2001	Building 8 Deloitte Place 20 Woodlands Drive Woodmead 2052
Date of appointment:	01 February 2015	
Qualification:	M.Sc. FIA FASSA	Registered Auditors
Telephone number:	(011) 408 2999	(011) 806 5200
Email address:	mathias.sithole@liberty.co.za	tmogare@deloitte.co.za

	Benefit administrator	Fund consultant
Full name:	Liberty Group Limited	Liberty Group Limited
Postal address:	P O Box 2094 Johannesburg 2000	P O Box 10449 Johannesburg 2000
Physical address:	25 Ameshoff Street 1 Ameshoff Street Braamfontein 2001	25 Ameshoff Street 1 Ameshoff Street Braamfontein 2001
Telephone number:	(011) 408 2999	(011) 408 2999
Registration no. in terms of Section 13B:	24/2	
FAIS registration no.:		2409

	Investment administrator	Investment manager
Full name:	Liberty Group Limited	Liberty Group Limited
Postal address:	P O Box 2094 Johannesburg 2000	P O Box 2094 Johannesburg 2000
Physical address:	Liberty Life Centre 1 Ameshoff Street Braamfontein 2001	Liberty Life Centre 1 Ameshoff Street Braamfontein 2001
Telephone number:	(011) 408 2999	(011) 408 2999
FAIS registration no.:	2409	2409

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

**SCHEDULE A
REGULATORY INFORMATION (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

PROFESSIONAL SERVICE PROVIDERS (continued)

	Investment manager	Investment manager
Full name:	Allan Gray Life Limited	PSG Asset Management Life Limited
Postal address:	P O Box 51318 V & A Waterfront Cape Town 8002	P O Box 41259 Craighall 2024
Physical address:	Granger Bay Court Cape Town 8001	1st Floor 28 Fricker Road Illovo 2196
Telephone number:	(021) 415 2300	0800 117 180
Registration number in terms of section 13B	24/69	24/448

	Investment manager	Risk insurer
Full name:	Futuregrowth (Pty) Ltd	Liberty Group Limited
Postal address:	Private Bag X6 Newlands 7725	P O Box 7400 Centurion 0046
Physical address:	3rd Floor Great Westerford Rondebosch 7700	268 West Avenue Centurion 0157
Telephone number:	(021) 659 5300	(021) 671 8911
Registration number in terms of section 13B	24/412	
FSP approval no.:		24/90

	Investment Consultant
Full name:	Novare Actuaries and Consultants
Postal address:	P O Box 4742 Tyger Valley 7536
Physical address:	Third Floor The Cliffs Office Block 1 Niagara Way Tyger Falls Carl Cronje Drive Bellville 7530
Date of appointment:	01 March 2016
Telephone number:	021 914 7730
FSP approval no.:	757

PARTICIPATING EMPLOYERS

The following employer participates in the fund in terms of the rules of the fund:

- Anglican Church of Southern Africa

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

**SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND
FOR THE YEAR ENDED 31 DECEMBER 2016**

Responsibilities

The Board of Fund hereby confirm to the best of their knowledge and belief that, during the year under review, in the execution of their duties they have complied with the duties imposed by Pension Funds Act legislation and the rules of the fund, including the following:

- ensured that proper registers, books and records of the operations of the fund were kept, inclusive of proper minutes of all resolutions passed by the Board of Fund;
- ensured that proper internal control systems were employed by or on behalf of the fund;
- ensured that adequate and appropriate information was communicated to the members of the fund, informing them of their rights, benefits and duties in terms of the rules of the fund;
- took all reasonable steps to ensure that contributions, where applicable, were paid timeously to the fund or reported where necessary, in accordance with section 13A and regulation 33 the Pension Funds Act in South Africa;
- obtained expert advice on matters where they lacked sufficient expertise;
- ensured that the rules and the operation and administration of the fund complied with the Pension Funds Act and all applicable legislation;
- ensured that fidelity cover was maintained and that this cover was deemed adequate and in compliance with the rules of the fund; and
- ensured that investments of the fund were implemented and maintained in accordance with the fund's investment strategy.

Approval of the annual financial statements

The annual financial statements of Anglican Church of Southern Africa Retirement Fund are the responsibility of the Board of Fund. The Board of Fund fulfils this responsibility by ensuring the implementation and maintenance of accounting systems and practices adequately supported by internal financial controls. These controls, which are implemented and executed by the fund and/or its benefit administrators, provide reasonable assurance that:

- the fund's assets are safeguarded;
- transactions are properly authorised and executed; and
- the financial records are reliable.

The annual financial statements set out on pages 10 to 25 have been prepared for regulatory purposes in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the Rules of the fund and the Pension Funds Act.

These annual financial statements have been reported on by the independent auditors, Deloitte & Touche, who was given unrestricted access to all financial records and related data, including minutes of all relevant meetings. The Board of Fund believes that all representations made to the independent auditors in the management representation letter during their audit were valid and appropriate. The report of the independent auditors is presented on page 7 to 9.

Instances of non-compliance

The following instances of non-compliance with Acts, Legislation, Regulations and Rules, including the provisions of laws and regulations that determine the reported amounts and disclosures in the financial statements came to our attention and were rectified before the Board of Fund's approval of the financial statements:

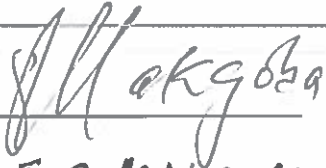
Nature and cause of non-compliance	Impact of non-compliance matter on the fund	Corrective course of action taken to resolve non-compliance matter
In terms of the Pension Funds Act of 1956 (Section 13 A), Fund contributions for any particular month is required to be paid by the Employer by the seventh of the subsequent month in conjunction with the payment the respective schedule detailing the allocation of the payment is required to be furnished by the fifteenth of the same subsequent month. During the period under review some pay points either did not make payment or did not provide the schedules as required.	The Fund is not operating in terms of Pension Funds Act of 1956 (Section 13 A)	The Board of Fund is aware of the contravention and is addressing the issue with the assistance of the Administrator. The Administrator currently levies Late Payment Interest to all the effected pay points to ensure that no members are prejudiced

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND


SCHEDULE B
STATEMENT OF RESPONSIBILITY BY THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

These annual financial statements:

- were approved by the Board of Fund on _____;
- are to the best of the Board members knowledge and belief confirmed to be complete and correct;
- fairly represent the net assets of the fund at 31 December 2016 as well as the results of its activities for the year then ended; and
- are signed on behalf of the Board of Fund by:


Name: T. C. MARGOSA
Chairperson


Name: A. S. ROGERSON
Board Member


Name: SHARON ROBERTS
Board Member

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE C
STATEMENT OF RESPONSIBILITY BY THE PRINCIPAL OFFICER
FOR THE YEAR ENDED 31 DECEMBER 2016

I confirm that for the year under review the Anglican Church of Southern Africa Retirement Fund has timeously submitted all regulatory and other returns, statements, documents and any other information as required in terms of the Pension Funds Act and to the best of my knowledge all applicable legislation except for the following:

Specific instances of non-compliances	Remedial action taken
In terms of the Pension Funds Act of 1956 (Section 13 A), Fund contributions for any particular month is required to be paid by the Employer by the seventh of the subsequent month in conjunction with the payment the respective schedule detailing the allocation of the payment is required to be furnished by the fifteenth of the same subsequent month. During the period under review some pay points either did not make payment or did not provide the schedules as required.	The Board of Fund is aware of the contravention and is addressing the issue with the assistance of the Administrator. The Administrator currently levies Late Payment Interest to all the effected pay points to ensure that no members are prejudiced


Robert Rogerson
PRINCIPAL OFFICER

18 April 2018
Date

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF FUND OF THE ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annual financial statements of Anglican Church of Southern Africa Retirement Fund ("the Fund") set out on pages 15 to 25, which comprise the statement of net assets and funds as at 31 December 2016 and the statement of changes in net assets and funds for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. The financial statements are prepared for the purpose of reporting to the Registrar of Pension Funds.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements of Anglican Church of Southern Africa Retirement Fund for the year ended 31 December 2016 are prepared, in all material respects, in accordance with Regulatory Reporting Requirements for Retirement Funds in South Africa.

Basis for Qualified Opinion

Qualification- Amounts to be allocated

We draw your attention to note 13 of the notes to the Annual Financial Statements representing "amounts to be allocated" of R8 971 650. This amount represents 9% of the members' funds, thereby exceeding the 2% acceptable limit allowed by Registrar. Furthermore, we draw attention to note 7 of the Report of the Board of Fund point 4 in respect of unallocated contributions amounting to R5 916 677.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Financial reporting framework and restriction on use

Without modifying our opinion, we draw attention to note 1 of the principal accounting policies in which the applicable financial reporting framework is identified, as prescribed by the Registrar. Consequently, the financial statements and related auditor's report may not be suitable for another purpose.

Other information

The Board of Fund is responsible for the other information. The other information comprises the Annual Financial Statements in terms of section 15 of the Pension Funds Act no 24,

1956, but does not include the financial statements (schedule F, G and HA) and our auditor's report thereon (schedule D).

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Fund for the Financial Statements

The Board of Fund is responsible for the preparation of the financial statements in accordance with the Regulatory Reporting Requirements for Retirement funds in South Africa and for such internal control as the Board of Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Fund is also responsible for compliance with the requirements of the Rules of the Fund and the Pension Funds Act of South Africa.

In preparing the financial statements, the Board of Fund is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Conclude on the appropriateness of the Board of Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Statement of Responsibility by the Board of Fund describes instances of non-compliance with laws and regulations, including those that determine the reported amounts and disclosures in the financial statements that have come to the attention of the Board of Fund and the corrective action taken by the Board of Fund. There are no additional instances of non-compliance with laws and regulations that came to our attention during the course of our audit of the financial statements.

Preparation and Submission of Financial statement within six month of the financial year end

In accordance with our responsibilities in terms of sections 44(2) and 44(3) of the Auditing Profession Act, we report that we have identified an unlawful act committed by persons responsible for the management of Anglican Church of Southern Africa Retirement Fund which constitutes a reportable irregularity in terms of the Auditing Profession Act, and have reported such matter to the Independent Regulatory Board for Auditors. The matter pertaining to the reportable irregularity is that the annual financial statements had not been prepared within six months of the financial year end, as required by Section 15(1) of the Pension Funds Act of South Africa, 1956, as amended.



Deloitte & Touche
Registered Auditors
Per: T Magare
Partner
29 June 2018

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND FOR THE YEAR ENDED 31 DECEMBER 2016

1. DESCRIPTION OF FUND

1.1. Type of fund

In terms of section 1 of the Income Tax Act, 1962 the fund is classified as a retirement fund. The fund is a defined contribution fund.

1.2. Benefits

The objective of the fund is to provide for the retirement benefits, withdrawal benefits and death benefits to members of the fund and/or their dependants.

1.2.1. Unclaimed benefits

The fund has retained membership and benefit records of members who have unclaimed benefits within the fund. Benefits will be classified as unclaimed if outstanding for more than 24 months.

1.2.2. Beneficiary benefits

Where benefits become due to a beneficiary as a result of the death of a member the board follows a formalised death claims protocol and a sub-committee of the board evaluates each case which is dealt with in terms of the facts of such case. The fund's administrators retain membership and benefit records of beneficiaries who have unclaimed benefits within the fund. Efforts to trace and contact these members are ongoing, including the contracting of a specialist tracing agency to assist the administrator and the board.

1.3. Contributions

Category Name: 5% Ee and 20% Er with 5 times GLA

- a) Participating employers contribute at a rate of 20.00% of pensionable salary.
- b) Participating members contribute at a rate of 5.00% of pensionable salary.

Category Name: 5% Ee and 15% Er with 2 times GLA

- a) Participating employers contribute at a rate of 15.00% of pensionable salary.
- b) Participating members contribute at a rate of 5.0% of pensionable salary.

Category Name: 7.5% Ee and 10% Er with 2 times GLA

- a) Participating employers contribute at a rate of 10.00% of pensionable salary.
- b) Participating members contribute at a rate of 7.50% of pensionable salary.

Category Name: 5% Ee and 20% Er with 2 times GLA

- a) Participating employers contribute at a rate of 20.00% of pensionable salary.
- b) Participating members contribute at a rate of 5.00% of pensionable salary.

Category Name: 7.5% Ee and 15% Er with 2 times GLA

- a) Participating employers contribute at a rate of 15.00% of pensionable salary.
- b) Participating members contribute at a rate of 7.50% of pensionable salary.

Category Name: Clerical Staff

- a) Participating employers contribute at a rate of 20.00% of pensionable salary.
- b) Participating members contribute at a rate of 7.50% of pensionable salary.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE E
 REPORT OF THE BOARD OF FUND (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

1.4. Rule Amendments

1.4.1. Amendments

Rule amendment No.	Description and motivation	Date of board of fund' resolution	Effective date	Date registered by the Financial Services Board
1	to change the category descriptions as follows: - Category A amended to 5% EE and 20% ER with 5 times GLA, - Category B amended to 5% EE and 20% ER with 2 times GLA, - Category C amended to 7.5% EE and 10% ER with 2 times GLA, - Category D amended to 7.5% EE and 15% ER with 2 times GLA, -Category H amended to 5% EE and 15% ER with 2 times GLA; to add a new category "I" for Ordained Clergy; to amend the Fund Name to Anglican Church of Southern Africa Retirement Fund	19/05/2014	01/07/2014	24/02/2016
Revised Rules	To reflect the Rules in the current Liberty format; To ensure that the Rules are maintained in compliance and conformity with: - the current Pension Funds Act, the Regulations thereto, Board Notices and - the current Income Tax Act, the Commissioner's Practice Notes and Circulars - the current Long-term Insurance Act - all other current relevant legislation - as well as sound practice; To incorporate all outstanding amendments to the Rules from July 2008 to the date these Rules that were signed by the Management Committee; To introduce a Member Surplus Account and Employer Surplus Account; To change the Reserve Account into a Fund Expense Contingency Account; To add tax optimisation to the Fund with effect from 1 July 2008; To create a new category called "Category H" with effect from 1 January 2006; To add a Contribution Waiver Insurance for members with Income plan Benefit with effect from 1 April 2011; To provide the members with housing loans directly from the Fund with effect from 1 February 2012.	24/11/2014	01/07/2008	21/01/2016

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE E REPORT OF THE BOARD OF FUND (continued) FOR THE YEAR ENDED 31 DECEMBER 2016

1.5. Reserves and specified accounts established in terms of the rules of the fund

1.5.1. Reserves

The revised rules that were approved by the Registrar on 21 January 2016 makes provision for a Fund Expense Contingency Account. Currently the Fund is not operating any reserve accounts, the account will come in to operation in future periods.

2. INVESTMENTS

2.1 Investment strategy

The Board of Fund have formulated an investment strategy that complies with the provisions of Regulation 28 of the Pension Funds Act. In terms of this strategy the investments are managed according to the following principles.

2.1.1. General

All new investments will be made by Liberty Group Limited in terms of the investment strategy adopted by the board. The board has decided to follow a core-satellite approach to its investment structure. The core investments will aim to reduce risk, whilst the satellites will consist of specialist local and international active managers whose role is to generate alpha or out-performance of the benchmark. The board have appointed a professional multi-manager to manage the investments on their behalf.

2.1.2. Unclaimed benefits

Unclaimed benefits are invested in a Liberty Institutional Money Market portfolio with Liberty Group Limited.

2.1.3. Surplus apportionment allocations

As at current year end the surplus payable to former members was invested in :
Corporate Standard Bank Money Market
Corporate Preferred Assets

2.1.4. Reserve accounts

All investments will be made in line with the existing investment strategy.

2.2. Management of investments

The fund's investments consist of Policies of Insurance and non-linked investment with Liberty Group Limited and linked investments with Allan Gray Limited, Novare Investment - Futurewealth, PSG Asset Management - Foord International and Futuregrowth (Pty) Ltd. The investment administrators have complete discretion as to the composition of their share of the portfolio within the boundaries allowed by the Pension Funds Act of South Africa. The Board of Fund meet regularly to discuss investment policy and to monitor the asset allocation and performance of the investment administrator against the investment strategy of the fund. The investment administrator is remunerated on a fee basis.

The fair value of the fund's investment, administered by the investment administrators at the end of the year was:

	31 December 2016	31 December 2015
	R	R
Liberty Group Limited	70,081,874	50,872,668
Allan Gray Life Limited	18,596,825	18,915,968
Novare CIS - Mayibentsha Moderate	2,577,290	-
PSG - Foord International	15,054,136	19,610,014
Futuregrowth (Pty) Ltd	6,502,395	7,120,946
PSG - Futurewealth	-	2,837,093
Total value of investments managed	112,812,520	99,356,689

The disinvestment of assets is as a result of Novare CIS taking over the administration of Mayibentsha Moderate from PSG FutureWealth.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

3. MEMBERSHIP

	Active members	Deferred pensioners	Unclaimed benefits
Number at the beginning of year	603	12	101
Adjustments	88	-	-
Additions	59	-	13
Withdrawals	(44)	-	-
Retirements	(25)	-	n/a
Deaths	(7)	-	n/a
Unclaimed benefits paid	n/a	n/a	(13)
Number at the end of the year	674	12	101
Number at end of year (South African citizen)	674	12	101

Adjustments:

i). Active Members;

- 2 were exits in the prior year but now active.

- 79 active and exits members with "Date Joined Scheme" being before 2016 period but only updated in the administration system during the 2016 period.

- 7 still to be investigated.

4. ACTUARIAL VALUATION

The fund has been exempted from the provisions of sections 9A and 16 of the Pension Funds Act. The valuation exemption was granted by the Registrar on 25 July 2014 and the fund is in compliance with the conditions as prescribed. The exemption expired on 1 January 2016.

The extension was granted until 30 June 2017. The fund has subsequently applied for further extension until 30 September 2017, the approval is still pending.

5. SURPLUS APPORTIONMENT OR NIL SCHEME

The Registrar of Pension Funds has considered the information provided by the fund in terms of its surplus apportionment scheme as at 01 January 2004 and has approved the scheme for apportionment in terms of section 15B of the Act on 16 January 2012.

At 01 January 2004 the actuarial surplus was R 972 392.

The balance owing to former members as at the end of the current year was R1 625 449. (Refer to Schedule HA, note 4.2)

6. HOUSING LOAN FACILITIES

No housing loans or guarantee facilities have been granted to members in terms of Section 19(5) of the Pension Funds Act, of South Africa.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

**SCHEDULE E
REPORT OF THE BOARD OF FUND (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. SIGNIFICANT MATTERS

1. Board of Fund and Appointments in terms of section 26(2)a of the Pension Funds Act 1956

The Revised Rules of the Fund effective 1 July 2008 was approved by the Registrar on 21 January 2016. The Revised Rules however incorrectly reduced the number of Trustees to two Employer Appointed and two Member Elected Trustees; this meant that the Board of Fund was no longer properly constituted. In consultation with the Registrar the current Board subsequently applied for appointment as members to the Board in terms of in terms of section 26(2)a of the Pension Funds Act 1956. This appointment was approved by the Registrar on 18 November 2016. This appointment will allow the Board to amend the Rules of the Fund and re-establish a new Board of Fund that will be fully compliant. The members appointed effective 18 November 2016 in terms of section 26(2)a of the Pension Funds Act 1956 is as follows:

- Thabo Cecil Makgoba
- Raynold Paul Bracks
- Rosalie Auriel Manning
- Sharon Roberts
- Sybil Nomathonya Elizabeth Seoka
- Stephan Molopi Diseko
- Robert Stuart Rogerson

2. Reserve Account.

The Revised Rules of the Fund effective 1 July 2008 was approved by the Registrar on 21 January 2016. The Revised Rules however incorrectly amended the operation of the Funds Reserve Account. Currently the Reserve Account as described in the Revised Rules is not in operation and as such the current period does not disclose ay Reserve Account. The Reserve Account that was in operation in the prior period is no longer contained in the Rules of the Fund and as such the amounts held in reserve from the last period has been moved to Amounts to be allocated until such time as the new Reserve Account becomes operational.

3. Statutory Actuarial Valuation

The extension to submit the report on the statutory actuarial valuation of the fund as at 1 January 2016 has been granted until 30 June 2017. The fund has reapplied for the extension until 30 September 2017.

4. Unallocated Amount

Unallocated amount – R5 916 677

As at the end of the period under review the fund had an amount of R5 916 677 (2015: R8 439 256) unallocated, this amounts relates to 51 pay points that have monies yet to be allocated due to lack of employer schedules and over payments of amounts due in certain instances. The Administrator together with the Principal Officer has made efforts to reduce the amounts to be allocated and confirm that these efforts are ongoing.

8. SUBSEQUENT EVENTS

1. Application for the Board of Fund extension

According to the minutes of the meeting on 28 February 2017, the Principal Officer has applied to the Financial Services Board for the extension of the section 26(2) board as the appointment was valid until end of February 2017.

2. Conversion to Type B Umbrella Fund

As per the minutes dated 28 February 2017 the Board of Fund is considering amending the Fund to a Type B Umbrella. Currently this point is still being discussed.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE F
STATEMENT OF NET ASSETS AND FUNDS
AS AT 31 DECEMBER 2016

	Note	31 December 2016 R	31 December 2015 R
ASSETS			
Non-current assets			
Investments	2	112,812,520	99,356,689
Current assets			
Accounts receivable	3	708,889	212,965
Arrear contributions	7	2,013,930	1,093,808
		2,722,819	1,306,773
Total assets		115,535,339	100,663,462
FUNDS AND LIABILITIES			
Members' funds and surplus account			
Members' individual accounts		98,481,471	79,953,607
Amounts to be allocated	13	8,971,650	10,901,054
Reserves			
Reserve accounts	12	-	1,886,368
Total funds and reserves		107,453,121	92,741,029
Non-current liabilities			
Unclaimed benefits	5	3,139,942	2,420,246
Current liabilities			
Benefits payable	4	4,325,161	4,986,254
Accounts payable	6	617,115	515,933
Total funds and liabilities		115,535,339	100,663,462

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE G
STATEMENT OF CHANGES IN NET ASSETS AND FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Members' individual accounts & Amounts to be allocated R	Reserve accounts Refer note 12 R	Current year 2016 R	Previous year 2015 R
Contributions received and accrued	7	26,682,628	-	26,682,628	15,347,672
Reinsurance proceeds		701,173	-	701,173	582,497
Net investment income	8	2,316,792	-	2,316,792	9,351,167
Allocated to unclaimed benefits	5	(201,511)	-	(201,511)	(198,061)
Less:					
Re-insurance premiums		(2,105,335)	-	(2,105,335)	(934,127)
Administration expenses	9	(857,560)	-	(857,560)	(752,738)
Net income before transfers and benefits		26,536,187	-	26,536,187	23,396,410
Transfers and benefits					
Benefits	4	(11,737,758)	-	(11,737,758)	(20,511,953)
Net income after transfers and benefits		14,798,429	-	14,798,429	2,884,457
Funds and reserves					
Balance at the beginning of the year	12	90,854,661	1,886,368	92,741,029	89,975,510
Transfers between reserve accounts	12	1,886,368	(1,886,368)	-	(118,938)
Investment return allocated					
Former members		(86,337)	-	(86,337)	-
Balance at the end of the year		107,453,121	-	107,453,121	92,741,029

Transfer between reserves

As the fund is not currently operating a reserve the amounts previously disclosed under reserves have been transferred to amounts to the allocated until such time that the Fund Expense Contingency Account comes into effect.

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. PRINCIPAL ACCOUNTING POLICIES

The following are the principal accounting policies used by the fund. These policies have been applied consistently to all years presented, unless otherwise specifically stated.

1.1. PURPOSE AND BASIS OF PREPARATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements are prepared in accordance with the Regulatory Reporting Requirements for Retirement Funds in South Africa, the rules of the fund and the provisions of the Pension Funds Act.

The annual financial statements are prepared on the historical cost and going concern bases, except where specifically indicated otherwise in the accounting policies below:

1.2. FINANCIAL INSTRUMENTS

Measurement

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of any other entity. A financial asset or a financial liability is recognised when its contractual arrangements become binding and is derecognised when the contractual rights to the cash flows of the instrument expire or when such rights are transferred in a transaction in which substantially all risks and rewards of ownership of the instrument are transferred.

Financial instruments carried on the statement of net assets and funds, include cash and bank balances, investments, housing loans, receivables and accounts payable.

Financial instruments are recognised on acquisition using trade date accounting, which includes transaction costs. Upon initial recognition financial instruments are designated at fair value through the statement of changes in net assets and funds as the assets or liabilities are managed, evaluated and reported internally on a fair value basis and/or the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

Subsequent to initial recognition, these instruments are measured as set out below.

1.2.1. Investments

Investments are classified at fair value through the statement of changes in net assets and funds and are measured at fair value.

Insurance policies

Non - linked insurance policies

Non - linked insurance policies with insurers are valued on the basis of the policyholder's retrospective contribution to assets (i.e. accumulation at the actual investment return achieved on gross premiums.)

Linked or market-related policies

If the policy is unitised, the value is equal to the market value of the underlying units. Other linked or market-related policies are valued at the market value of the underlying assets for each policy, in line with the insurer's valuation practices.

1.2.2. Accounts receivable

Accounts receivable are financial assets measured initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

1.2.3. Accounts payable

Accounts payable are financial liabilities measured initially at fair value, net of transaction costs that are directly attributable to the liability and subsequently measured at amortised cost using the effective interest rate method.

1.3. RESERVES

Reserve accounts comprise particular amounts of designated income and expenses as set out in the rules of the fund and are recognised in the year in which such income and expenses accrue to the fund.

1.4. SURPLUS

Surplus apportionments are recognised on the date of approval of the surplus apportionment scheme by the Registrar. Surplus is measured at the values contained in the approved surplus apportionment scheme, adjusted for investment return or late payment interest until date of approval of the scheme as determined by the rules of the fund.

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.5. CONTRIBUTIONS

Contributions are measured at the fair value of the consideration received or receivable.

Contributions are accrued and recognised as income in accordance with the actuarial recommendations, and the rules of the retirement fund. Contributions received are apportioned between retirement funding and funding for risk and other expenses. The apportionment is governed by the rules of the fund and actuarial recommendations.

Voluntary contributions are recognised when they are received from annual payments or accrued where monthly recurring payments are made.

Any contributions outstanding at the end of the reporting year are recognised as a current asset – contribution receivable. Any contributions received in advance at the end of the reporting year are recognised as a current liability – accounts payable.

Interest charged on late payment of contributions

Compound interest on late payments or unpaid amounts and values shall be calculated for the year from the first day of the month following the expiration for the year in respect of which the relevant amounts or values are payable or transferable until the date of receipt by the fund.

1.6. INVESTMENT INCOME

Investment income comprises of dividends, interest and adjustment to fair value.

Dividends

Dividend income is recognised in the statement of changes in net assets and funds when the right to receive payment is established – this is the last date to trade for equity securities. For financial assets designated at fair value through the statement of changes in net assets and funds, the dividend income forms part of the fair value adjustment.

Interest

Interest income in respect of financial assets held at amortised cost is accounted for in the statement of changes in net assets and funds using the effective interest rate method.

Income from policies with insurance companies

Income from investment policies from insurance companies is included in the adjustment to the movement of the financial asset.

Adjustment to fair value

Gains or losses arising from changes in the fair value of financial assets at fair value through the statement of changes in net assets and funds are presented in the statement of changes in net assets and funds in the year in which they arise.

Expenses incurred in managing investments

Expenses in respect of the management of investments are recognised as the service is rendered.

1.7. BENEFITS

Benefits payable and pensions are measured in terms of the rules of the fund.

Benefit payments and monthly pension payments are recognised as an expense when they are due and payable in terms of the rules of the fund. Any benefits not paid at the end of the reporting year are recognised as a current liability – benefits payable / due.

Reinsurance proceeds

Reinsurance proceeds are measured at the fair value of the consideration received or receivable and are accrued and recognised as income at the same time as the recognition of the related claim.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

1.8. ADMINISTRATION EXPENSES

Expenses incurred in the administration of retirement funds are recognised in the statement of changes in net assets and funds in the reporting year to which they relate.

In the event that an expense has not been paid at the end of a reporting year the liability will be reflected in the accounts payable note. If the expense was paid in advance or overpayment occurred, the applicable amount will be disclosed under the accounts receivable note.

1.9. RELATED PARTIES

In considering each possible related-party relationship, attention is directed to the substance of the relationship and not merely the legal form.

If there have been transactions between related parties, the fund shall disclose the nature of the related party relationship as well as the following information for each related party relationship:

- the amount of the transactions;
- the amount of outstanding balances;
- their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in the settlement;
- details of guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the year in respect of bad or doubtful debts due from related parties.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

2. INVESTMENTS

2.1. Investment summary

	Note	Local R	Foreign R	Total current year R	Total previous year R	Fair value current year R	Categorised per IAS 39
Insurance policies		86,025,857	26,786,663	112,812,520	99,356,689	112,812,520	At fair value through statement of changes in net assets and funds
Total		86,025,857	26,786,663	112,812,520	99,356,689	112,812,520	

3. ACCOUNTS RECEIVABLE

	31 December 2016 R	31 December 2015 R
Reinsurance proceeds	708,889	137,304
Cash in Transit	-	75,661
Total	708,889	212,965

This is a Reinsurance recoveries received but not yet allocated to the Share of Fund.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE HA
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2016

4. BENEFIT PAYMENTS

4.1. Benefits - current members

	A At beginning of year R	B Benefits for current period R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C-D-E At end of year R
Lump sums on retirements						
- Full benefit	1,544,420	7,983,452	67,482	(8,338,324)	(673,639)	583,391
Lump sums before retirement						
- Death benefits	126,673	1,248,610	5,467	(370,193)	(120,514)	890,043
- Withdrawal benefits	1,594,748	2,328,074	104,673	(2,505,700)	(295,517)	1,226,278
Total	3,265,841	11,560,136	177,622	(11,214,217)	(1,089,670)	2,699,712

Benefits for current year (B)						11,560,136
Return allocated (C)						177,622

Statement of changes in net assets and funds						11,737,758
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4.2. Benefits in terms of surplus apportionment

	A At beginning of year R	B Surplus allocated R	C Return allocated R	D Payments R	E Transferred to unclaimed benefits R	A+B+C+D+E At end of year R
Enhancements to former members	1,720,413	-	86,337	(181,301)	-	1,625,449
Total Benefits	1,720,413	-	86,337	(181,301)	-	1,625,449

Surplus allocated (B)						-
Return allocated (C)						86,337

Statement of changes in net assets and funds						86,337
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Total	4,986,254	11,560,136	263,959	(11,395,518)	(1,089,670)	4,325,161
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ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

5. UNCLAIMED BENEFITS

	31 December 2016	31 December 2015
	R	R
Balance at the beginning of the year	2,420,246	3,868,912
Transferred from benefits payable	1,089,670	4,342
Adjustments	-	(1,401,618)
Investment income allocated	201,511	198,061
Less:		
• Benefits paid	(571,485)	(249,451)
Balance at the end of the year	<u>3,139,942</u>	<u>2,420,246</u>

2015 Adjustment

This relates to two members that were previously incorrectly disclosed as unclaimed benefits. The first one had a status incorrectly changed and the loss of calculation was done when the error was released, the member was actually paid in March 2016 as a retired member and another one, had three records under his name and of these records one was active and other two were not supposed to join the fund but all these three records have balances. The administration team is investigating on whether these records can be combined together.

6. ACCOUNTS PAYABLE

	31 December 2016	31 December 2015
	R	R
Reinsurance premiums	178,870	106,093
Audit fee payable	102,726	96,911
Administration fee payable	40,507	23,848
Consultancy fee payable	27,421	21,490
Risk premiums refund	267,591	267,591
Total	<u>617,115</u>	<u>515,933</u>

7. CONTRIBUTIONS

	At beginning of the year	Towards retirement	Towards re-insurance and expenses	Contributions received	At end of the year
	R	R	R	R	R
Member contributions received and accrued	362,930	5,916,942	-	(5,697,015)	582,857
Employer contributions received and accrued	717,538	16,599,242	2,607,206	(18,808,590)	1,115,396
Additional voluntary contributions - employer	-	934,578	-	(731,074)	203,504
Additional voluntary contributions - members	13,340	624,660	-	(525,827)	112,173
Total	<u>1,093,808</u>	<u>24,075,422</u>	<u>2,607,206</u>	<u>(25,762,506)</u>	<u>2,013,930</u>

Towards retirement	24,075,422
Towards reinsurance and expenses	2,607,206

Statement of changes in net assets and funds	<u>26,682,628</u>
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ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

8. NET INVESTMENT INCOME

	31 December 2016	31 December 2015
	R	R
Income from investments	2,364,687	2,015,910
• Dividends	548,851	660,215
• Interest	34,330	123,205
• Income from insurance policies	1,781,506	1,232,490
Interest on late payment of contributions	118,771	-
Adjustment to fair value	305,182	7,797,784
	<u>2,788,640</u>	<u>9,813,694</u>
Less: Expenses incurred in managing investments	(471,848)	(462,527)
Total	<u>2,316,792</u>	<u>9,351,167</u>

9. ADMINISTRATION EXPENSES

	31 December 2016	31 December 2015
	R	R
Actuarial fees	30,423	130,758
Administration fees	399,267	250,813
Audit fees	107,841	131,822
Audit fees - current year	102,726	131,822
Audit fees - expenses under accrued	5,115	-
Consultancy fees	295,693	221,748
Fidelity Insurance	8,999	8,999
Other Expenses	15,337	8,598
FSB Levies	13,337	8,598
Trustee approved expense	2,000	-
Total	<u>857,560</u>	<u>752,738</u>

Trustee approved expense

This expense relates to bank charges incurred on the ACSA Retirement Fund. The members on the ACSA Retirement Fund transferred into the Anglican Church of Southern Africa Retirement Fund during the 2015 period. The Trustees of the Anglican Church of Southern Africa Retirement Fund approved the payment of this expense from the ACSA Retirement Fund

10. RISK MANAGEMENT POLICIES

Risk management framework

The Board of Fund has overall responsibility for the establishment and oversight of the fund's risk management policies.

The fund's risk management policies are established to identify and analyse the risks faced by the fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the fund's activities.

• **Solvency risk**

Solvency risk is the risk that the investment returns on assets will not be sufficient to meet the funds contractual obligations to members.

Continuous monitoring by the Board and the fund's actuary takes place to ensure that appropriate assets are held where the funds obligation to members are dependent upon the performance of specific portfolio assets and that a suitable match of assets exists for all other liabilities.

SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

10. RISK MANAGEMENT POLICIES (continued)

- **Credit risk**

Credit risk is the risk that a counter-party to a financial instrument will fail to discharge an obligation, and cause the fund to incur a financial loss.

The Board monitors receivable balances on an ongoing basis with the result that the fund's exposure to bad debts is not significant. An appropriate level of provision is maintained.

- **Legal risk**

Legal risk is the risk that the fund will be exposed to contractual obligations which have not been provided for. Legal representatives of the fund monitor the drafting of contracts to ensure that rights and obligations of all parties are clearly set out.

- **Cash flow risk**

Cash flow risk is the risk that future cash flows associated with monetary financial instrument will fluctuate in amount. In the case of a floating rate debt instrument, for example, such fluctuations result in a change in the effective interest rate of the financial instrument, usually without a corresponding change in its fair value. The Board of Fund monitors cash flows by using monthly cash flow projections.

- **Currency risk**

Currency risk is the risk that the value of an instrument will fluctuate in Rands owing to changes in foreign exchange rates. The fund's exposure to currency risk is mainly in respect of foreign investments made on behalf of members of the fund for the purpose of seeking desirable international diversification of investments. The board of funds monitors this aspect of the fund's investments and limits it to 15% of total assets.

- **Liquidity risk**

Liquidity risk is the risk that the fund will encounter difficulty in raising funds to meet commitments associated with financial instruments. The fund's liabilities are backed by appropriate assets and it has significant liquid resources.

- **Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices of market interest rates.

- **Investments**

Investments in equities are valued at fair value and therefore susceptible to market fluctuations. Investments are managed with the aim of maximising the fund's returns while limiting risk to acceptable levels within the framework of statutory requirements.

Continuous monitoring takes place to ensure that appropriate assets are held where the liabilities are dependent upon the performance of specific portfolios of assets and that a suitable match of assets exists for all non-market related liabilities.

- **Price risk**

Price risk is the risk that the value and/ or future cash flows of a financial instrument will fluctuate as a result of changes in market prices.

- **Interest rate risk**

Interest rate risk is the risk that the value and /or future cash flows of financial instruments will fluctuate as a result of changes in interest rates. The Board of Fund monitors exposures to interest rate risk by using monthly cash flow projections.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

**SCHEDULE HA
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. RELATED PARTY TRANSACTIONS

The following transactions between the participating employer and the fund occurred during the year

- The participating employer made contributions to the fund for members' retirement and towards the fund's expenses to the value of R16 599 242 (2015:R9 638 990) and R2 607 206 (2015:R1 479 660) respectively. The additional voluntary contributions of R934 578 (2015:R262 543) (refer Note 7)

12. SURPLUS AND RESERVES

	Reserves
	R
At beginning of year	1,886,368
Transfer between reserves	(1,886,368)
At end of year	-

Reserves

The revised rules that were approved by the Registrar on 21 January 2016 makes provision for a Fund Expense Contingency Account. Currently the Fund is not operating any reserve accounts, the account will come in to operation in future periods.

Transfer between reserves

As the fund is not currently operating a reserve the amounts previously disclosed under reserves have been transferred to amounts to the allocated until such time that the Fund Expense Contingency Account comes into effect.

13. AMOUNTS TO BE ALLOCATED

	31 December 2016	31 December 2015
	R	R
Unallocated amount at year end	5,916,677	8,439,256
Contributions receivable	2,013,930	1,093,808
Administration fee payable	(40,507)	(23,848)
Risk premiums payable	(178,866)	(106,089)
Audit fees payable	(102,725)	(96,911)
External assets market value adjustment	(216,406)	725,476
Consultancy fee payable	(27,421)	(21,490)
Risk premiums refund to members	(267,591)	(267,591)
Billed LPI to be allocated	1,005,831	873,576
NTU Members	868,728	284,867
Total amounts to be allocated	8,971,650	10,901,054

Unallocated amount at year end

This amount includes the transfer between reserves of R1 886 368.

SCHEDULE I

REPORT OF THE INDEPENDENT AUDITOR OF ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND OF FACTUAL FINDING

TO THE BOARD OF FUND AND THE REGISTRAR OF PENSION FUNDS

We have performed the procedures agreed with the Registrar of Pension Funds (the "Registrar") and set out below with respect to the audited financial statements ("annual financial statements") and other information in the general ledger and management information comprising the accounting records of the Anglican Church of Southern Africa Retirement Fund for the period ended 31 December 2016. Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 Engagements to perform agreed-upon procedures regarding financial information. Our procedures were performed solely to assist the Registrar in evaluating whether any instances of non-compliance with the requirements of the relevant sections of the Pension Funds Act of South Africa (the Act), regulations and rules of the Fund were identified. The responsibility for determining the adequacy or otherwise of the procedures agreed to be performed, is that of the Registrar.

Procedures and findings

Our procedures performed are set out in the numbered paragraphs in the attached table, which forms part of our report, together with our findings thereon. Unless otherwise indicated, all balances, lists, schedules etc. referred to in the table relate to the accounts/balances reflected in the annual financial statements of the Fund for the year ended 31 December 2016.

Because the procedures do not constitute an audit, a review or other assurance engagement performed in accordance with the IAASB's International Standards we do not express any assurance. Had we performed additional procedures, or had we performed an audit, a review, or other assurance engagement, other matters might have come to our attention that would have been reported.

Restriction on use and distribution

Our report is solely for the purpose set out in the first paragraph of this report and for the information of the Registrar and accordingly may not be suitable for any other purpose and distributed to other parties. This report relates only to the information specified and does not extend to the annual financial statements of the Fund taken as a whole.



Deloitte & Touche

Registered Auditors

Per: T Magare

Partner

29 June 2018

Procedures and Findings

	Procedures	Findings
	Statement of Net Assets and Funds	
1	Investments	
1.1	Inspect the list of investment balances reflected in the general ledger of the Fund as at 31 December 2016 for any investments in accordance with the terms of section 19(4) of the Act.	
1.1.1	Agree details of the written confirmations obtained from the investment managers/insurers to the investment balances reflected in the general ledger.	Details of the written confirmations obtained from the investment managers/insurers agreed to the investment balances reflected in the general ledger.
1.1.2	Where investments held in the participating employer exceed 5% of the total assets as reflected in the financial statements, inspect the appropriate approval of the Registrar.	Not applicable as the fund did not hold investments in the participating employer.
1.2	Obtain the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate between the Fund and the investment administrator(s), and perform the following procedures on a sample of 10 mandates (comprising the 3 largest by value of investments at year end and 7 other randomly selected mandates):	
1.2.1	Inspect whether the underlying investments are in compliance with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate.	The underlying investments complied with the signed investment policy statement and, where applicable, the portfolio management agreement/investment mandate. We noted that there was no signed investment policy for the Liberty portfolio.
1.2.2	Inspect whether the investment mandate and the investment policy statement provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.	The investment mandate and the investment policy statement did provide for securities lending transactions and investments in hedge funds, private equity funds and derivatives, as prescribed.
1.2.3	Inspect whether the collateral and counterparty requirements as prescribed are complied with.	The collateral and counterparty requirements were not applicable as the Fund invested only in pooled insurance policies.

	Procedures	Findings
1.2.4	For segregated portfolios, confirm directly with the investment administrator(s): (a) whether scrip lending took place during the period and, if so, (b) whether there was collateral provided by the counterparty/(ies) for any scrip lending activities and, if so, (c) the percentage exposure covered by the collateral. Report on the amount for a).	Not applicable as the Fund did not hold investments in segregated portfolios.
2	Member individual accounts (defined contributions funds as well as defined contribution section of hybrid funds)	
2.1	Obtain a list of member individual accounts as reflected on the Statement of Net Assets and Funds as at 31 December 2016.	
2.2	Select a random sample of the lesser of 25 or 10% of the number of members from the list of members and perform the following procedures:	
2.2.1	Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (June 2016, August 2016 and December 2016).	The member and employer contributions received and allocated for the members selected as reflected on the administrator's system did not agree to information supplied by the participating employers for the three months selected. Refer to Annexure A for the exception noted.
2.2.2	Compare the member and employer contribution rates for the members selected as reflected on the administrator's system, to the rules of the Fund, for a randomly selected period of three months (including the last month of the period under review).	The member and employer contribution rates for the members selected as reflected on the administrator's system agreed to the rules of the Fund for the three months selected.

	Procedures	Findings									
2.2.3	In respect of unitised investment products, for the three months selected in 2.2.1 and 2.2.2, calculate the conversion of the contributions at the unit price per the administration system on the dates that the contributions were invested and compare the units recalculated to the administration system units for the selected members. Inspect that the units were added to the existing units for that member.	<p>The conversion of contributions into units was calculated correctly and agreed to the units on the administration system and the units were added to the existing units for that member except for the below members from the sample selected as no contributions were received or allocated during the current year for the particular month selected:</p> <table border="1"> <thead> <tr> <th>Member Number</th> <th>Month</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Member 1</td> <td>August</td> <td>903.53</td> </tr> <tr> <td>Member 2</td> <td>August</td> <td>1 645.32</td> </tr> </tbody> </table>	Member Number	Month	Amount	Member 1	August	903.53	Member 2	August	1 645.32
Member Number	Month	Amount									
Member 1	August	903.53									
Member 2	August	1 645.32									
2.2.4	In respect of unitised investment products, calculate the conversion of units at the end of the period, at the year- end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.	The conversion of the units was calculated correctly and agreed to the amount recorded in each member's record on the member register with the exception of those members noted in Annexure A.									
2.2.5	In respect of unitised investment products, compare the unit price(s) as per investment manager/actuary/other authorised party at the year- end to the unit prices on the administration system used to calculate each member's credits at year- end.	The unit price(s) agreed to the unit prices on the administration system at 31 December 2016.									
2.2.6	In respect of non-unitised investment products, compare the interim and/or final return allocated to each individual member's account in the administrator's records for the period under review to the return approved in accordance with a resolution of the Board of Fund or the rules of the Fund or approved recommendation by the investment consultant/asset manager/fund valuator.	Not applicable as the Fund is unitised fund.									
2.3	Obtain a list of members who switched investment portfolios during the period from the Fund/administrator, select a random sample of the lesser of 25 or 10% of members who switched between investment portfolios during the period, and perform the following procedures:										
2.3.1	Inspect evidence that the portfolios were switched in accordance with notification of the member's instruction/ investment strategy (including life stage models) of the Fund and within a timeframe as specified in the service level agreement or client mandate between the administrator and the Fund.	Not applicable as per the inspection of the investment policy statement, we noted that this is not a member investment choice fund.									

	Procedures	Findings
2.3.2	Inquire as to whether any fees relating to switches were deducted, and if so, inspect evidence of the approval by the Board of Fund and/or in terms of a service level agreement or client mandate.	Not applicable as per the inspection of the investment policy statement, we noted that this is not a member investment choice fund and there were not switches throughout the year ended 31 December 2016.
2.4	For investment products obtain the Asset Liability Match (ALM) reconciliation per investment portfolio, excluding the reserve accounts, for member individual accounts from the administrator, and perform the following procedures:	
2.4.1	Compare the investments per product on the ALM reconciliation to the investment certificates in total.	The investments per product agreed agree to the investment certificates in total.
2.4.2	Compare the member individual accounts on the ALM reconciliation per investment portfolio to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.	The member individual accounts on the ALM reconciliation per investment portfolio agreed to the administration system and to the total member individual accounts as disclosed in the Statement of Net Assets and Funds.
2.4.3	Inspect whether the total mismatch (in Rand) for all portfolios was within the range as prescribed by the Registrar.	The total mismatch R216 406 (0.19%) for all portfolios was within the range as prescribed by the Registrar.
3	Accumulated funds (for defined benefit funds as well as defined benefit sections of hybrid funds)	
3.1	Select a sample of the lesser of 25 or 10% of the number of members from the list of members provided by the administrator and perform the following procedures for each member selected:	
3.1.1	Compare the member contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (including the last month of the period under review).	Not applicable as the Fund is a defined contribution fund.
4	Surplus apportionment scheme	
4.1	If a surplus apportionment scheme was approved by the Registrar in the current period or if allocation and/or payments to members were made during the period, perform the following procedures:	

	Procedures	Findings
4.1.1	<u>Active members:</u> Select a random sample of the lesser of 25 or 10% of number of active members to whom surplus has been apportioned in the approved surplus apportionment scheme and perform the following procedures:	
4.1.1.1	Agree the original surplus amount allocated to the selected member to the individual allocation on the member records per the administration system.	Not applicable as the Fund did not have a surplus apportionment scheme approved by the Registrar during the reporting period. The fund also did not make active members surplus allocations during the reporting period.
4.1.1.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	Not applicable as the Fund did not have a surplus apportionment scheme approved by the Registrar during the reporting period. The fund also did not make active members surplus allocations during the reporting period.
4.1.2	<u>Former members and pensioners:</u> Select a random sample of the lesser of 25 or 10% of number of former members and pensioners as defined by the surplus apportionment scheme from the surplus schedules attached to the approved surplus apportionment scheme and perform the following procedures:	
4.1.2.1	Agree the original surplus amount allocated to the selected member and/or pensioner to the individual allocation on the member records per the administration system.	The original surplus amount allocated to the selected member and/or pensioner agreed to the individual allocation on the member records per the administration system.
4.1.2.2	Inspect whether the calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and allocated to the member records in the administration system.	The calculation of the relevant investment return from surplus apportionment date to date of allocation was in accordance with the requirements of the Act and was allocated to the member records in the administration system.
4.1.2.3	Agree the total of the amount calculated in 4.1.2.1 and 4.1.2.2 to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.	The total amount calculated in 4.1.2.1 and 4.1.2.2 agreed to the surplus benefit paid per selected member and to the applicable amount per the administration system and other authorised supporting documentation.

	Procedures	Findings
5	Member and employer surplus accounts	
5.1	Obtain the analysis of the transactions in the member and/or employer surplus account per the annual financial statements, and perform the following procedure:	
5.1.1	Inspect that the transactions are permitted in terms of the registered rules of the Fund and/or the Act.	The Fund did not utilise any member and employer surplus accounts during the period.
6	Reserves	
6.1	Obtain the list of reserves and other related accounts (e.g. pensioner accounts) and the movements per the financial statements and/or in the actuarial valuation, and perform the following procedures:	
6.1.1	Inspect whether the reserve and other related accounts (e.g. pensioner accounts) held by the Fund and/or reflected in the actuarial valuation are in accordance with the registered rules of the Fund.	The reserve accounts held by the Fund and/or reflected in the actuarial valuation was not in accordance with the registered rules of the Fund. Refer to note 7 of the Report of the Board of Fund in the financial statements.
6.1.2	Inspect that the movements in reserves as disclosed in the annual financial statements are permitted in terms of the registered rules of the Fund and/or the Act.	The movements in reserves as disclosed in the annual financial statements were not permitted in terms of the registered rules of the Fund and/or the Act. Refer to note 7 of the Report of the Board of Fund in the financial statements.
7	Other assets, liabilities and guarantees	
7.1	Obtain the list of housing loans granted to members by the Fund in terms of section 19(5) of the Act as at 31 December 2016, and perform the following procedure:	
7.1.1	Agree the total housing loans on the above list to the corresponding account in the annual financial statements.	Not applicable as the Fund did not grant housing loans to members.
7.2	From the list in 7.1, randomly select a sample of the lesser of 25 or 10% of the number of members' housing loans granted and perform the following procedures:	
7.2.1	Inspect evidence that the value of the housing loan provided does not exceed the amount permitted by the rules and the home loan agreement.	Not applicable as the Fund did not grant housing loans to members.
7.2.2	Inspect evidence that the housing loan has been granted in terms of Section 19(5) (a).	Not applicable as the Fund did not grant housing loans to members.

	Procedures	Findings
7.2.3	Inspect evidence that repayments are being made in accordance with the housing loan agreement.	Not applicable as the Fund did not grant housing loans to members.
7.2.4	Inspect the interest charged on the outstanding housing loan and compare the rate used to the prescribed rate.	Not applicable as the Fund did not grant housing loans to members.
7.2.5	If the Fund issued more than 100 housing loans or the total principal debt of all outstanding loans exceeded R500 000, inquire whether the Fund was registered as a credit provider under the National Credit Act, 2005 (the NCA).	Not applicable as the Fund did not grant housing loans to members.
7.3	Obtain the list of housing loan guarantees and select a sample of the lesser of 25 or 10% of the number of housing loan guarantees and perform the following procedures:	
7.3.1	For the sample selected, determine that each selected housing loan guarantee did not exceed the gross value of the benefit that the member would become entitled to had they withdrawn, as at the period end, in terms of the Act, the loan agreement and/or the rules of the Fund.	Not applicable as the fund does not grant housing loans guarantees to members in terms of s19(5) of the Pension Fund Act.
7.3.2	Inspect evidence that the housing loan guarantee has been granted in terms of Section 19(5) (a).	Not applicable as the fund does not grant housing loan guarantees to members in terms of S19(5) of the Pension Fund Act
7.4	Obtain a list of other loans per the general ledger of the Fund as at 31 December 2016 and perform the following procedure:	
7.4.1	Confirm that no loans were granted and/or investments made as prohibited in terms of section 19(5)B.	Not applicable as the Fund did not grant other loans or made investments prohibited in terms of section 19(5)B.
	Statement of Changes in Net Assets and Funds	
8	Contributions	
8.1	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points (whichever is the lower) from a list of participating employer/pay-points supplied by the Fund/administrator, select three months and perform the following procedures:	
8.1.1	Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.	The contributions received by or on behalf of the Fund agreed to the remittance advice from the participating employer/pay-point, except the difference noted in Annexure A.

	Procedures	Findings
8.1.2	Inspect the bank statements for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.	Contributions were deposited with a registered bank in accordance with section 13A of the Act and late payment interest had not been raised in terms of regulation 33, where applicable, with exceptions noted in Annexure A.
8.2	Select a sample of the lesser of 25 or 10% of the number of participating employers or pay points which reflect arrear contributions (whichever is the lower) at year- end from a list supplied by the Fund/administrator and perform the following procedure:	
8.2.1	Inspect the accounting records of the Fund to determine whether amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act. Where the amounts were received after the prescribed period, report the date of receipt and where they were not received, indicate as such.	Amounts disclosed as arrear contributions at year-end have been paid to the Fund within the prescribed period in accordance with the requirements of section 13A of the Act, with exceptions noted in Annexure A.
9	Benefits	
9.1	Obtain a list from the administration system of lump sum benefits reflected as expenses in the Fund's Statement of Changes in Net Assets and Funds for the year under review and perform the following procedure:	
9.1.1	Compare the list to the respective general ledger benefit expense accounts reconciliation.	The list agreed to the respective general ledger benefit expense accounts reconciliation.
9.2	Select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedures:	
9.2.1	Compare the benefit per selected member to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.	The benefit paid agreed to the administration system and authorised supporting documentation in accordance with the procedures of the Fund.
9.2.2	For death benefits, where a portion of the benefit had been reinsured by the Fund, inspect a bank deposit or an accrual raised for the recovery from the insurer.	The recovery from the insurer was received/accrued by the Fund.

	Procedures	Findings
9.2.3	<p><u>For a defined benefit fund and hybrid funds with a defined benefit underpin</u> Inspect that the calculation of the benefit payment was done by the actuary in accordance with the requirements of the rules of the Fund and/or the Act.</p> <p><u>For a defined contribution fund</u> Agree the opening fund credit for the member to the opening fund credit report and determine whether contributions were added every month until the date of exit (either by Rand amount or in the case of unitised funds, by units). Agree the balance paid out to the member (inclusive of late payment interest where applicable) to the fund credit report or administration system as at the date of exit.</p>	<p><u>For a defined contribution fund</u> The opening fund credit for the member agreed to the opening fund credit report and contributions were added every month until the date of exit. The balance paid out to the member inclusive of late payment interest where applicable agreed to the fund credit report or administration system as at the date of exit.</p>
9.3	Obtain a list of all benefits not yet paid at year- end, select a sample of the lesser of 25 benefits or 10% of the total number of benefits from the list and perform the following procedure:	
9.3.1	Agree whether the benefits that are older than the period as set out in the Act or a shorter period defined by the Rules are classified as unclaimed benefits.	The benefits that were older than the period as set out in the Act or a shorter period defined by the Rules were classified as unclaimed benefits.
10	Transfers	
10.1	Compare the list of total section 14 transfers to and from the Fund to the corresponding accounts in the general ledger.	Not applicable as the Fund did not have section 14 transfers to/from the Fund approved by the Registrar during the reporting period.
10.2	From the list of section 14 transfers paid/received and accrued to and from the Fund throughout the period select a sample of the lesser of 25 or 10% of the number of transfers in and the lesser of 25 or 10% of the number of transfers out, and perform the following procedures:	
10.2.1	Agree the sample of section 14 transfers to and from the Fund to: <ul style="list-style-type: none"> a) the section 14(1) documentation as approved by the Registrar in respect of each transfer; and/or b) the section 14(8) documentation as prescribed. 	Not applicable as the Fund did not have section 14 transfers to/from the Fund approved by the Registrar during the reporting period.

	Procedures	Findings
10.2.2	Inspect whether the transfers to and from the Fund were received/paid within 60 days of Registrar approval for section 14(1) transfers and 180 days from application date for section 14(8) transfers and whether the growth and investment return had been allocated from the effective date of the transfer to the date of final settlement.	Not applicable as the Fund did not have section 14 transfers to/from the Fund approved by the Registrar during the reporting period.
10.2.3	In respect of unitised funds, select a sample of the lesser of 25 or 10% of the number of members transferred from other funds and recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt, investment return was added from the date of receipt to the date of purchase).	Not applicable as the Fund did not have section 14 transfers to/from the Fund approved by the Registrar during the reporting period.
10.3	Individual transfers Obtain the list of individual transfers throughout the period ended 31 December 2016, select a sample of the lesser of 25 or 10% of the number of individual transfers, and perform the following procedures:	
10.3.1	Agree the transfers to the approved recognition of transfer documentation.	Not applicable as the Fund did not have individual transfers during the reporting period.
10.3.2	For individual transfers in selected In respect of unitised funds, recalculate the purchase of units for the amount received using the unit price per the administration system on the date of receipt. (Where units were purchased after date of receipt investment return was added from the date of receipt to the date of purchase).	Not applicable as the Fund did not have individual transfers during the reporting period.
11	Pensioners paid	
11.1	Obtain a copy of the list of pensioners and amounts paid for the period from the administration system and/or, for outsourced pensioners, confirmation from the insurer and perform the following procedure:	
11.1.1	Agree the total pensions paid for the period ended 31 December 2016 to the corresponding account reconciliation to the general ledger balance.	Not applicable as the Fund did not have pensioners.

	Procedures	Findings
11.2	Select a sample of the lesser of 25 or 10 % of the number of pensioners paid directly from the fund from the above list and perform the following procedures:	
11.2.1	Inspect the pensioner increases for authorisation by the Board of Fund.	Not applicable as the Fund did not have pensioners.
11.2.2	Inspect evidence obtained by the administrator/Fund supporting the fact that the pensioners selected exist.	Not applicable as the Fund did not have pensioners.
11.3	Where the Fund has purchased an annuity in the name of the Fund, obtain a written confirmation from the annuity provider summarising movements from opening market value to closing market value and perform the following procedures:	
11.3.1	Agree the closing market value of the annuity to the annual financial statements.	Not applicable as the Fund did not have reinsured pensioners.
11.3.2	Agree the pensioner payment per the confirmation from the insurer to the pensions paid disclosed in the notes to the annual financial statements.	Not applicable as the Fund did not have reinsured pensioners.
	General	
12.1	Inspect evidence that the Fund's fidelity insurance cover was in place throughout the period ended 31 December 2016, that the Fund's fidelity insurance cover extends after year- end and report the date to which the subsequent fidelity insurance cover extends.	The Fund's fidelity insurance cover was in place throughout the year ended 31 December 2016. The Fund's fidelity insurance cover extended to 28 February 2017.
12.2	Confirm with the Fund's GLA insurer as to whether the GLA policy has lapsed at [year/period] ended [insert period/year end].	Per inspection of the confirmation, the GLA policy has not lapsed at year ended 31 December 2016.
12.3	Obtain the most recent statutory valuation signed and submitted by the valuator as at 1 January 2007 and perform the following procedures:	

	Procedures	Findings
12.3.1	Report the funding status of the Fund per the report (whether the Fund was under-funded or fully funded).	<p>Per the report, the Fund was fully funded.</p> <p>The Fund was granted a valuation exemption as at 1 January 2013 by the Financial Services Board on 25 July 2014. This exemption expired on 1 January 2016 and the statutory valuation as at 1 January 2016 was due to be submitted to the FSB by 1 January 2017.</p> <p>An extension to submit the valuation as at 1 January 2016 by 30 June 2017 was granted by the FSB on 6 March 2017.</p> <p>A further extension was applied for until 30 September 2017, however no approval has been obtained as at date of this report.</p>
12.3.2	Where the Fund is under-funded, obtain evidence as to whether a scheme, as required in terms of section 18 of the Act in South Africa, has been approved by the Registrar.	Not applicable as the fund was not under-funded.

Annexure A

Procedure 2.2.1: Compare the member and employer contributions received and allocated for the members selected as reflected on the administrator's system, to information supplied by the participating employers for those members selected, for a randomly selected period of three months (June 2016, August 2016 and December 2016).

Finding

The member and employer contributions received and allocated for the members selected as reflected on the administrator's system did not agree to information supplied by the participating employers for the three months selected. Refer to the below table for the exception noted for the three months selected (June 2016, August 2016 and December 2016).

Members	Total contributions per Remittance Advice for the 3 months selected	Total contributions per Admin System for the 3 months selected (ie member record)	Difference (Sum of 3 months selected)
	R	R	R
Member 1	6 215.34	6 616.81	-401.47
Member 2	1 418.33	1 545.51	-127.18
Member 3	6 215.34	6 616.81	-401.47
Member 4	7 249.09	7 205.47	43.62
Member 5	6 991.32	6 949.07	42.25
Member 6	6 215.34	6 616.81	-401.47
Member 7	7 961.38	7 906.33	55.05
Member 8	5 319.72	5 278.47	41.25
Total			1 149.42

Procedure 2.2.4: In respect of unitised investment products, calculate the conversion of units at the end of the period, at the year- end unit price per the administration system and agree the calculated amount to the member's fund credit amount recorded in each member's record.

Finding

The conversion of the units was calculated correctly and agreed to the amount recorded in each member's record on the member register with the exception of those noted in the below table:

#	Members	Total value of units at year end per admin system	Balance per member fund Credit list	Difference	Reconciled Contributions matched in August 2017	Difference
1	Member 1	10 239.57	8 598.93	1 640.64	1614.34	26.30
2	Member 2	82 276.15	80 240.68	2 035.47	2002.84	32.63
3	Member 3	104 628.91	102 380.02	2 248.89	2209.11	39.78
4	Member 4	41 907.21	40 098.52	1 808.69	1779.7	28.99
5	Member 5	3 450.51	1 903.21	1 547.30	1522.49	24.81
6	Member 6	103 099.62	100 850.73	2 248.89	2209.11	39.78
7	Member 7	54 489.18	47 142.65	7 346.53	7228.79	117.74
8	Member 8	39 870.38	32 785.28	7 085.10	6971.55	113.55
9	Member 9	5 516.45	2 107.25	3 409.20	3354.58	54.62
10	Member 10	10 132.42	8 491.78	1 640.64	1614.34	26.30

11	Member 11	61 590.92	58 847.18	2 743.74	2699.77	43.97
12	Member 12	88 907.90	84 679.25	4 228.65	4160.92	67.73
13	Member 13	54 379.12	52 869.20	1 509.92	1485.73	24.19
14	Member 14	242 830.59	266 670.59	-23 840.00	2031.28	-25 871.28
15	Member 15	7 708.13	6 398.83	1 309.30	1288.33	20.97
16	Member 16	132 774.98	130 526.10	2 248.88	2209.11	39.77
17	Member 17	50 241.03	45 004.51	5 236.52	5152.58	83.94
18	Member 18	61 590.92	58 847.18	2 743.74	2699.77	43.97

Procedure 8.1.1: Compare, in total, the contributions received by or on behalf of the Fund to the remittance advices from the participating employer/pay-point.

Finding

The contributions received by or on behalf of the Fund agreed to the remittance advice from the participating employer/pay-point, except the difference noted below:

Overs and Unders

Paypoint	Months selected	Amount received	Difference between employer schedule and amount received	Date received
Cathedral St Michael and St George	30-Jun-16	958.31	1 721.21	25/06/2016
Cathedral St Michael and St George	31-Dec-16	2 528.77	351.58	25/08/2016
Cathedral St Michael and St George	31-Dec-16	2 526.84	463.90	25/12/2016

Procedure 8.1.2: Inspect the bank statements for the date on which the cash was received to determine whether the contributions were deposited with a registered bank in accordance with section 13A of the Act and whether late payment interest has been raised in terms of regulation 33, where applicable.

Finding

Contributions were deposited with a registered bank in accordance with section 13A of the Act and late payment interest had not been raised in terms of regulation 33, where applicable, with detail noted below:

Late receipt

Paypoint	Months selected	Amount received	Date received
Diocese of False Bay	30-Jun-16	41 437.05	13/07/2016
Diocese of False Bay	31-Aug-16	41 312.18	10/11/2016
Irene	31-Dec-16	18 196.02	31/01/2017
Diocese of False Bay	31-Dec-16	40 094.60	18/01/2017

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

INVESTMENTS

	Notes	Non-compliant Insurance policies Note M2	Total	Local	Foreign	Foreign Africa	Total Foreign	Total percentage of foreign exposure	TOTAL as per Regulation 28 (Schedule IB)
		R	R	R	R	R	R	%	R
Cash (including cash at bank)		27,748,964	27,748,964	20,922,853	6,826,111	-	6,826,111	24.60	27,748,964
Commodities		821,622	821,622	-	511,271	310,351	821,622	100.00	821,622
Debt instruments including Islamic debt Instruments		11,390,667	11,390,667	10,507,126	867,297	16,244	883,541	7.76	11,390,667
Investment and owner occupied properties		3,604,548	3,604,548	2,930,641	645,803	28,104	673,907	18.70	3,604,548
Equities		65,130,931	65,130,931	48,579,863	15,868,811	682,257	16,551,068	25.41	65,130,931
Other assets	I	2,209	2,209	2,209	-	-	-	-	2,209
Hedge Funds	J	3,249,544	3,249,544	2,936,172	313,372	-	313,372	9.64	3,249,544
Collective Investment Schemes	K	864,035	864,035	146,993	717,042	-	717,042	82.99	864,035
Total investments		112,812,520	112,812,520	86,025,857	25,749,707	1,036,956	26,786,663	23.74	112,812,520

The Fund's assets are invested in a Policy of Insurance and the insurer uses the look through approach for the disclosure requirements of Reg 28 as amended. In doing so the Fund's assets within the Policy of insurance is required to be disclosed under Non-compliant Insurance Policies as disclosed above under Schedule IA.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

M REGULATION 28 NON COMPLIANT INVESTMENTS

M2 NON- COMPLIANT INSURANCE POLICIES

Instrument	Holding %	Fair value R
Non-Linked Policies		
Local		
Liberty Group Limited	51.98	58,642,914
Allan Gray	16.21	18,286,474
FutureGrowth	5.76	6,502,395
Mayibentsha Moderate	2.28	2,577,290
PSG Foord International	0.01	16,754
		<u>86,025,827</u>
Foreign		
Liberty Group Limited	10.14	11,438,961
Allan Gray	0.28	310,351
PSG Foord International	13.33	15,037,381
		<u>26,786,693</u>
Total Non-linked Policies		<u>112,812,520</u>
Total certified Regulation 28 Non-compliant Investments		<u>112,812,520</u>

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

O ENTITY / COUNTERPARTY EXPOSURE

Credit / Counterparty risk

Counterparty	Any other instrument	Total per counterparty	Exposure to counterparty as a % of the fair value of the assets of the fund
R	R	R	
Asset managers - local			
	42,420,295	42,420,295	36.72%
Allan Gray	18,286,474	18,286,474	15.83%
PSG - Foord International	15,054,136	15,054,136	13.03%
PSG - Mayibentsha	2,577,290	2,577,290	2.23%
Future Growth	6,502,395	6,502,395	5.63%
Asset managers - foreign			
Allan Gray	310,351	310,351	0.27%
Insurance companies			
Liberty Group Limited	70,081,874	70,081,874	60.66%
Other funds			
	2,152,609	2,152,609	1.86%
Accounts receivable	138,679	138,679	0.12%
Arrear contributions	2,013,930	2,013,930	1.74%
	114,965,129	114,965,129	99.51 %

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IA - SCHEDULES PERTAINING TO THE ANNUAL FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2016

P RECONCILIATION BETWEEN THE INVESTMENTS IN SCHEDULE H2 AND SCHEDULE IA

	Fair value current period (as per Schedule HA2.1) R	Non-compliant Insurance Policies R	Total R
Cash	-	27,748,964	27,748,964
Commodities	-	821,622	821,622
Debt instruments including Islamic debt instruments	-	11,390,667	11,390,667
Investment properties and Owner occupied properties	-	3,604,548	3,604,548
Equities	-	65,130,931	65,130,931
Hedge funds	-	3,249,544	3,249,544
Private equity funds	-	864,035	864,035
Insurance policies	112,812,520	(112,812,520)	-
Other assets	-	2,209	2,209
Total investments	112,812,520	-	112,812,520

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB
ASSETS HELD IN COMPLIANCE WITH REGULATION 28
AT 31 DECEMBER 2016

	Fair value R
A Total assets (Schedule IA -Total investments)	112,812,520
B1 Less: Reg 28 compliant investments (certificate received from issuing entity):-	-
B.1.1 Collective Investment Schemes (Reg 28(8)(b)(i))	-
B.1.2 Linked Policies (Reg 28(8)(b)(ii))	-
B.1.3 Non-Linked policies (Reg 28(8)(b)(iii))	-
B.1.4 Entity regulated by FSB (Reg 28(8)(b)(iv))	-
B2 Less: Reg 28 excluded investments	-
B2.1 Insurance Policies (Reg 28(3)(c))	-
C Less: Investments not disclosed /data not available for disclosure [Refer to schedule IAN]	-
D TOTAL ASSETS FOR REGULATION 28 DISCLOSURE	112,812,520

Categories of kinds of assets	Fair value R	Fair value %
1 CASH	27,748,964	24.60%
1.1 Notes, deposits, money market instruments issued by a South African Bank, margin accounts, settlement accounts with an exchange and Islamic liquidity management financial instruments 100%	20,922,853	18.55%
(a) Notes and coins; any balance or deposit in an account held with a South African bank;	20,842,980	18.48%
- THE STANDARD BANK OF SOUTH AFRICA LTD 25%	2,943,220	2.61%
- BARCLAYS AFRICA GROUP LTD. 25%	2,691,846	2.39%
- NEDBANK LTD. 25%	1,972,613	1.75%
- INVESTEC BANK LTD. 25%	1,677,940	1.49%
- RMB HOLDINGS LTD. 25%	947,962	0.84%
- INKOTHA INVESTMENTS LTD. 25%	509,663	0.45%
- LAND EN LANDBOUBANK VAN SUID AFRIKA 25%	223,122	0.20%
- ABSA FUND MANAGERS LTD 25%	215,356	0.19%
- FIRSTRAND BANK LTD. 25%	188,188	0.17%
- NEWGOLD ISSUER (RF) LTD. 25%	47,021	0.04%
- Other 25%	8,524,295	7.56%
- Other 25%	2,488	0.00%
- Allan Gray 25%	279,456	0.25%
- FutureGrowth 25%	603,056	0.53%
- PSG Foord International 25%	16,754	0.01%
(b) A money market instrument issued by a South African bank including an Islamic liquidity management financial instrument	79,873	0.07%
- Allan Gray 25%	79,873	0.07%
(c) Any positive net balance in a margin account with an exchange	-	0.00%
(d) Any positive net balance in a settlement account with an exchange, operated for the buying and selling of assets	-	0.00%
1.2 Balances or deposits, money market instruments issued by a foreign bank including Islamic liquidity management financial instruments SARB max. limits	6,826,111	6.05%
(a) Any balance or deposit held with a foreign bank	6,826,111	6.05%
- FIDELITY INSTITUTIONAL LIQUIDITY FUND PLC 5%	95,319	0.08%
- THE BANK OF NEW YORK MELLON 5%	676	0.00%
- THE GOLDMAN SACHS GROUP INC 5%	280	0.00%
- Other 5%	1,962,986	1.74%
- PSG Foord International 5%	4,766,850	4.23%
(b) Any balance or deposit held with an African bank	-	0.00%
Carried forward	27,748,964	24.60%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		27,748,964	24.60%
(c)	A money market instrument issued by a foreign bank including an Islamic liquidity management financial instrument	-	0.00%
2	DEBT INSTRUMENTS INCLUDING ISLAMIC DEBT INSTRUMENTS	11,390,667	10.10%
2.1	Inside the Republic	10,507,126	9.31%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic		
	100%	2,919,541	2.59%
	- Other	1,470,984	1.30%
	- FutureGrowth	1,448,557	1.28%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	-	0.00%
(c)	Debt instruments issued or by a South African bank against its balance sheet	827,465	0.73%
c(i)	Listed on an exchange with an issue market capitalisation of R20 billion or more, or an amount or conditions as prescribed	793,147	0.70%
	- THE STANDARD BANK OF SOUTH AFRICA LTD	6,336	0.01%
	- BARCLAYS AFRICA GROUP LTD.	3,058	0.00%
	- NEDBANK LTD.	1,843	0.00%
	- FIRSTRAND BANK LTD.	1,687	0.00%
	- INVESTEC BANK LTD.	680	0.00%
	- Other	779,543	0.69%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	-	0.00%
c(iv)	Not listed on an exchange	34,318	0.03%
	- Other	8,434	0.01%
	- FutureGrowth	25,884	0.02%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange, or debt instruments issued or guaranteed by a public entity under the Public Finance Management Act, 1999 (Act No. 1 of 1999) as prescribed	2,530,800	2.24%
d(i)	Listed on an exchange	2,146,084	1.90%
	- THE SOUTH AFRICAN NATIONAL ROADS AGENCY LTD.	7,755	0.01%
	- ESKOM HOLDINGS SOC LTD.	7,692	0.01%
	- DELTA PROPERTY FUND LTD.	5,432	0.00%
	- TRANSNET SOC LTD.	4,609	0.00%
	- DEVELOPMENT BANK OF SOUTHERN AFRICA SOC LTD.	4,021	0.00%
	- CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY	2,445	0.00%
	- CITY OF CAPE TOWN	2,082	0.00%
	- RCS INVESTMENT HOLDINGS LTD.	1,641	0.00%
	- INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA	1,638	0.00%
	- CITY OF TSHWANE METROPOLITAN MUNICIPALITY	1,264	0.00%
	- Other	1,441,773	1.28%
	- FutureGrowth	665,732	0.59%
d(ii)	Not listed on an exchange	384,716	0.34%
	- THE CULLINAN HOTEL (PTY) LIMITED	9	0.00%
	- Other	21,849	0.02%
	- FutureGrowth	362,858	0.32%
(e)	Other debt instruments:-	4,229,320	3.75%
Carried forward		34,026,770	27.56%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28 FOR THE YEAR ENDED 31 DECEMBER 2016

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			34,026,770	27.56%
e(i)	Listed on an exchange	25%	849,300	0.75%
	- IVUZI INVESTMENTS LIMITED	5%	15,085	0.01%
	- DATA CONVERSION MMI ISSUER	5%	761	0.00%
	- Other	5%	557,076	0.49%
	- FutureGrowth	5%	276,378	0.24%
e(ii)	Not listed on an exchange	15%	3,380,020	3.00%
	- AMBER HOUSE FUND 1 (RF) LTD.	5%	22,349	0.02%
	- Other	5%	534,294	0.47%
	- FutureGrowth	5%	2,823,377	2.50%
	SARB max. limits			
2.2	Foreign		883,541	0.78%
(a)	Debt instruments issued by, and loans to, the government of the Republic, and any debt or loan guaranteed by the Republic	SARB max. limits	358,903	0.32%
	- GOVERNMENT OF UNITED STATES OF AMERICA		699	0.00%
	- JAPAN		318	0.00%
	- GOVERNMENT OF THE UNITED KINGDOM		317	0.00%
	- UNITED STATES OF AMERICA		243	0.00%
	- GOVERNMENT OF AUSTRALIA		121	0.00%
	- GOVERNMENT OF FRANCE		101	0.00%
	- NEW ZEALAND		92	0.00%
	- QUEENSLAND TREASURY CORPORATION		85	0.00%
	- GOVERNMENT OF SPAIN		85	0.00%
	- GOVERNMENT OF NAMIBIA		84	0.00%
	- Other		346,458	0.31%
	- Other		10,300	0.01%
(b)	Debt instruments issued or guaranteed by the government of a foreign country	SARB max. limits	-	0.00%
(c)	Debt instruments issued or guaranteed by a South African Bank against its balance sheet:-	SARB max. limits	-	0.00%
c(i)	Listed on an exchange with an issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed	SARB max. limits	-	0.00%
c(ii)	Listed on an exchange with an issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed	SARB max. limits	-	0.00%
c(iii)	Listed on an exchange with an issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed	SARB max. limits	-	0.00%
c(iv)	Not listed on an exchange		-	0.00%
(d)	Debt instruments issued or guaranteed by an entity that has equity listed on an exchange	SARB max. limits	158,103	0.14%
d(i)	Listed on an exchange	SARB max. limits	153,931	0.14%
	- PERNOD RICARD SA	10%	42	0.00%
	- THE EXPORT-IMPORT BANK OF KOREA	10%	24	0.00%
	- APPLE INC.	10%	19	0.00%
	- NAMIBIA POWER CORPORATION (PTY) LTD	10%	18	0.00%
	- Other	10%	148,611	0.13%
	- Other	10%	5,217	0.00%
d(ii)	Not listed on an exchange	25%	4,172	0.00%
	- Other	5%	4,172	0.00%
(e)	Other debt instruments	25%	366,535	0.32%
e(i)	Listed on an exchange	25%	365,986	0.32%
Carried forward			38,773,096	31.74%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		38,773,096	31.74%
	- REPUBLIC OF ITALY 5%	316	0.00%
	- UNITED MEXICAN STATES 5%	305	0.00%
	- FANNIE MAE POOL 5%	204	0.00%
	- HUNGARY 5%	149	0.00%
	- BUNDESREPUBLIK DEUTSCHLAND 5%	134	0.00%
	- REPUBLIC OF POLAND 5%	132	0.00%
	- INDONESIA TREASURY BOND 5%	102	0.00%
	- KOREA TREASURY BOND 5%	86	0.00%
	- DEXIA CREDIT LOCAL S.A. 5%	64	0.00%
	- MALAYSIA GOVERNMENT BOND 5%	61	0.00%
	- Other 5%	363,735	0.32%
	- Other 5%	698	0.00%
e(ii)	Not listed on an exchange 15%	549	0.00%
	- Other 5%	549	0.00%
3	EQUITIES	65,130,931	57.73%
3.1	Inside the Republic 75%	48,579,863	43.06%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- 75%	48,328,948	42.84%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed 75%	45,009,779	39.90%
	- NASPERS LTD. 15%	1,801,515	1.60%
	- STEINHOFF INT HLDGS N.V. 15%	1,306,009	1.16%
	- MTN GROUP LTD. 15%	1,226,031	1.09%
	- FIRSTRAND BANK LTD. 15%	1,036,195	0.92%
	- ASPEN PHARMACARE HOLDINGS LTD. 15%	830,424	0.74%
	- OLD MUTUAL LIFE ASSURANCE COMPANY (SOUTH AFRICA) L 15%	790,163	0.70%
	- BRITISH AMERICAN TOBACCO PLC (INC IN ENGLAND AND W 15%	773,891	0.69%
	- NETCARE LTD. 15%	754,669	0.67%
	- AVI LTD 15%	737,509	0.65%
	- REINET INVESTMENTS SCA 15%	637,487	0.57%
	- Other 15%	20,674,512	18.33%
	- Allan Gray 15%	14,441,374	12.80%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed 75%	3,124,238	2.77%
	- Allan Gray 10%	3,065,770	2.72%
	- FutureGrowth 10%	58,468	0.05%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed 15%	194,931	0.17%
	- Allan Gray 5%	194,245	0.17%
	- FutureGrowth 5%	686	0.00%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange 15%	250,915	0.22%
	- THE CULLINAN HOTEL (PTY) LIMITED 2.5%	6	0.00%
	- Other 2.5%	15,719	0.01%
	- FutureGrowth 2.5%	235,190	0.21%
3.2	Foreign	16,551,068	14.67%
(a)	Preference and ordinary shares in companies, excluding shares in property companies, listed on an exchange:- max. limits	16,091,117	14.26%
a(i)	Issuer market capitalisation of R20 billion or more, or an amount or conditions as prescribed max. limits	16,091,117	14.26%
	- TAIWAN SEMICONDUCTOR MANUFACTURING COMPANY. LTD. 15%	15,962	0.01%
	- COMCAST CORPORATION 15%	15,904	0.01%
	- GOOGLE INC 15%	12,538	0.01%
	- MICROSOFT CORP - US EQUITY 15%	12,498	0.01%
	- CVS HEALTH CORPORATION 15%	10,998	0.01%
	- TIME WARNER CABLE INC 15%	10,945	0.01%
Carried forward		87,798,339	75.20%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		87,798,339	75.20%
	- UNITEDHEALTH GROUP INC 15%	10,442	0.01%
	- ORACLE CORPORATION 15%	10,417	0.01%
	- SAMSUNG ELECTRONICS CO.. LTD. 15%	8,855	0.01%
	- SAFRAN 15%	8,444	0.01%
	- Other 15%	5,908,531	5.24%
	- Other 15%	682,257	0.60%
	- PSG Foord International 15%	9,383,326	8.32%
a(ii)	Issuer market capitalisation of between R2 billion and R20 billion, or an amount or conditions as prescribed SARB max. limits	-	0.00%
a(iii)	Issuer market capitalisation of less than R2 billion, or an amount or conditions as prescribed SARB max. limits	-	0.00%
(b)	Preference and ordinary shares in companies, excluding shares in property companies, not listed on an exchange 10%	459,951	0.41%
	- TRANS AFRICAN CONCESSIONS (PTY) LTD. 2.5%	4,904	0.00%
	- Other 2.5%	455,047	0.40%
4	IMMOVABLE PROPERTY	3,604,548	3.20%
4.1	Inside the Republic 25%	2,930,641	2.60%
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange 25%	973,615	0.86%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed 25%	917,277	0.81%
	- GROWTHPOINT PROPERTIES LTD. 15%	2,792	0.00%
	- RESILIENT REIT LTD. 15%	1,479	0.00%
	- HYPROP INVESTMENTS LTD. 15%	1,283	0.00%
	- VUKILE PROPERTY FUND LTD. 15%	558	0.00%
	- CAPITAL & COUNTIES PROPERTIES PLC 15%	204	0.00%
	- INVESTEC PROPERTY FUND LTD. 15%	170	0.00%
	- ATTACQ LTD. 15%	129	0.00%
	- INTU PROPERTIES PLC 15%	(144)	0.00%
	- Other 15%	741,386	0.66%
	- Allan Gray 15%	169,420	0.15%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed 25%	9,030	0.01%
	- Allan Gray 10%	9,030	0.01%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed 25%	47,308	0.04%
	- Allan Gray 5%	47,308	0.04%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange 15%	1,957,026	1.73%
	- LIBERTY UNLISTED PROPERTY 5%	88,991	0.08%
	- PHYSICAL PROP SA 5%	329	0.00%
	- Other 5%	1,867,706	1.66%
4.2	Foreign 25%	673,907	0.60%
(a)	Preference shares, ordinary shares and linked units comprising shares linked to debentures in property companies, or units in a Collective Investment Scheme in Property, listed on an exchange 25%	670,548	0.59%
a(i)	Issuer market capitalisation of R10 billion or more, or an amount or conditions as prescribed 25%	670,548	0.59%
	- CAPITA PLC 15%	365	0.00%
	- ROCKCASTLE GLOBAL REAL ESTATE COMPANY LTD 15%	129	0.00%
	- PUBLIC STORAGE 15%	111	0.00%
	- CBRE GROUP. INC. 15%	92	0.00%
	- DAITO TRUST CONSTRUCTION CO..LTD. 15%	63	0.00%
	- CITY DEVELOPMENTS LIMITED 15%	56	0.00%
	- SWIRE PACIFIC LIMITED 15%	54	0.00%
Carried forward		107,202,073	92.40%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND
**SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016**

Categories of kinds of assets		Fair value R	Fair value %
Brought forward		107,202,073	92.40%
	- NEW WORLD DEVELOPMENT COMPANY LIMITED 15%	47	0.00%
	- CHEUNG KONG INFRASTRUCTURE HOLDINGS LIMITED 15%	42	0.00%
	- AMERICAN TOWER CORPORATION 15%	38	0.00%
	- Other 15%	265,512	0.24%
	- Other 15%	28,104	0.02%
	- PSG Foord International 15%	375,935	0.33%
a(ii)	Issuer market capitalisation of between R3 billion and R10 billion, or an amount or conditions as prescribed 25%	-	0.00%
a(iii)	Issuer market capitalisation of less than R3 billion or an amount or conditions as prescribed 25%	-	0.00%
(b)	Immovable property, preference and ordinary shares in property companies, and linked units comprising shares linked to debentures in property companies, not listed on an exchange 15%	3,359	0.00%
	- Other 5%	3,359	0.00%
5	COMMODITIES	821,622	0.73%
5.1	Inside the Republic 10%	-	0.00%
(a)	Kruger Rands and other commodities on an exchange, including exchange traded commodities 10%	-	0.00%
a(i)	Gold (including Kruger Rands) 10%	-	0.00%
a(ii)	Other commodities 5%	-	0.00%
5.2	Foreign 10%	821,622	0.73%
(a)	Gold and other commodities on an exchange, including exchange traded commodities 10%	821,622	0.73%
a(i)	Gold 10%	821,622	0.73%
	- Allan Gray 5%	310,351	0.28%
	- PSG Foord International 5%	511,271	0.45%
a(ii)	Other commodities 5%	-	0.00%
7	HOUSING LOANS GRANTED TO MEMBERS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 19(5) 95%	-	0.00%
8	HEDGE FUNDS, PRIVATE EQUITY FUNDS AND ANY OTHER ASSET NOT REFERRED TO IN THIS SCHEDULE	4,115,788	3.65%
8.1	Inside the Republic 15%	3,085,374	2.73%
(a)	Hedge fund 10%	2,936,172	2.60%
a(i)	Funds of hedge funds 10%	2,936,172	2.60%
	- BRAIT SOUTH AFRICA (PTY) LTD. 5%	3,006	0.00%
	- Other 5%	355,876	0.32%
	- Mayibentsha Moderate 5%	2,577,290	2.28%
a(ii)	Hedge funds 10.0%	-	0.00%
(b)	Private equity funds 10%	146,993	0.13%
b(i)	Funds of private equity funds 10%	146,993	0.13%
	- AFRICAN INFRASTRUCTURE INVESTMENT FUND TRUST 5%	476	0.00%
	- AFRICAN INFRASTRUCTURE INVESTMENT MANAGERS (PTY) L 5%	21	0.00%
	- Other 5%	146,496	0.13%
b(ii)	Private equity funds 10.0%	-	0.00%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund 2.5%	2,209	0.00%
	- FutureGrowth 2.5%	2,209	0.00%
8.2	Foreign 15%	1,030,414	0.91%
(a)	Hedge fund 10%	313,372	0.28%
a(i)	Funds of hedge funds 10%	313,372	0.28%
	- BLACKROCK ASSET MANAGEMENT IRELAND LTD 5%	2,283	0.00%
Carried forward		110,962,767	92.99%

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016

Categories of kinds of assets			Fair value R	Fair value %
Brought forward			110,962,767	92.99%
	- Other	5%	311,089	0.28%
a(ii)	Hedge funds	10.0%	-	0.00%
(b)	Private equity funds	10%	717,042	0.64%
b(i)	Funds of private equity funds	10%	717,042	0.64%
	- LIFE SETTLEMENTS FUNDS LTD	5%	7,975	0.01%
	- STANLIB COLLECTIVE INVESTMENTS LIMITD	5%	2,795	0.00%
	- PAN AFR INFRA DEV FD	5%	1,229	0.00%
	- Other	5%	705,043	0.62%
b(ii)	Private equity funds	10.0%	-	0.00%
(c)	Other assets not referred to in this schedule and excluding a hedge fund or private equity fund	2.5%	-	0.00%
TOTAL ASSETS – REGULATION 28			112,812,520	100.00%

Other issuers on Schedule IB reflects a breach due to the fact that this line item includes all portfolios in that category, excluding the highest issuer.

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016

INVESTMENT SUMMARY (Regulation 28)

	Local R	Fair value %	Foreign (Excluding Africa) R	Fair value %	Africa R	Fair value %	Total R
1 Balances or deposits, money market instruments issued by a bank including Islamic liquidity management financial instruments	20,922,853	18.55	6,826,111	6.05	-	-	27,748,964
2 Debt instruments including Islamic debt instruments	10,507,126	9.31	867,297	0.77	16,244	0.01	11,390,667
3 Equities	48,579,863	43.06	15,868,811	14.07	682,257	0.60	65,130,931
4 Immovable property	2,930,641	2.60	645,803	0.57	28,104	0.02	3,604,548
5 Commodities	-	-	511,271	0.45	310,351	0.28	821,622
8 Hedge Funds, private equity funds and any other assets not referred to in this schedule	3,085,374	2.73	1,030,414	0.91	-	-	4,115,788
TOTAL	86,025,857	76.26	25,749,707	22.83	1,036,956	0.92	112,812,520

ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

SCHEDULE IB - ASSETS HELD IN COMPLIANCE WITH REGULATION 28
FOR THE YEAR ENDED 31 DECEMBER 2016

BREACHES IN TERMS OF SUB REGULATION 3 OF REGULATION 28

Table 1 items	Asset Limits in terms of sub regulation 3(f)	Total (Inside & Foreign) R	Percentage of Fair value %	Regulation 28 limits
2.1(e)(ii)	Other debt instruments not listed	3,380,020	3.00	
3.1(b)	Equities not listed	250,915	0.22	
4.1(b)	Immovable properties not listed	1,957,026	1.73	
8	Hedge funds , Private Equity funds and other assets	1,538,498	1.36	
	TOTAL	7,126,459	6.32	35

Table 1 items	Asset Limits in terms of sub regulation 3(g)	Fair value R	Fair value %	Regulation 28 limits
3.1(b)	Equities not listed	6	-	
8.1(b)	Private Equity funds	146,993	0.13	
	TOTAL	146,999	0.13	15

Table 1 items	Asset Limits in terms of sub regulation 3(h)	Fair value R	Fair value %	Regulation 28 limits
1.1	Cash and deposits with a South African Bank	2,943,220	2.61	
2.1(c)	Debt instruments guaranteed by a South African Bank - Item	6,336	0.01	
	TOTAL	2,949,556	2.61	25

SCHEDULE IB

INDEPENDENT AUDITOR'S REPORT ON ASSETS HELD IN COMPLIANCE WITH REGULATION 28 TO THE BOARD OF FUND OF ANGLICAN CHURCH OF SOUTHERN AFRICA RETIREMENT FUND

Qualified Opinion

We have audited Schedule IB "Assets held in compliance with Regulation 28" of the Anglican Church of Southern Africa Retirement Fund ("the Fund") at 31 December 2016 (the "Schedule") for compliance with the requirements of Regulation 28 of the Pension Funds Act of South Africa (the Regulation), as set out on pages 45 to 53. Our engagement arises from our appointment as auditor of the Fund and is for the purpose of assisting the Board of Fund to report to the Registrar of Pension Funds (the "Registrar").

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph Schedule IB "Assets held in compliance with Regulation 28" at 31 December 2016 by the Anglican Church of Southern Africa Retirement Fund is prepared, in all material respects, in accordance with the Regulation.

Basis for Qualified Opinion

Our audit procedures included obtaining confirmations from the asset managers (and the certificates from the auditors of the asset manager, where applicable,) and agreeing the aggregate of the assets confirmed to the underlying accounting records that were the subject of our audit engagement on the annual financial statements. We have not been provided with an independent signed confirmation from Liberty Group Limited, Allan Gray Life Limited, Foord International, Novare CIS- Mayibentsha Moderate and Futuregrowth (Pty) Ltd. We have not audited the assets of R112 812 520 relating to the Liberty Group Limited split reflected in the Schedule on a standalone basis and accordingly we do not express an opinion on the fair presentation of the assets reflected in the Schedule on a standalone basis for this insurer.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Schedule* section of our report. We are independent of the Fund in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter – Board of Fund interpretations on application of Regulation 28

We draw attention to the Board of Fund's interpretations on the application of Regulation 28, as annotated on the Schedule on page 41.

Emphasis of matter – Issuer limit exceeded

We draw your attention to the fact that the fund has exceeded the limit of 15% in respect of the following issuer categories:

- 3.1(a)(i) "Allan Gray" which amounted to 15.17% of the total assets, and
- 3.1(a)(i) "Other issuer" which amounted to 21.72% of the total assets

Emphasis of matter - Financial reporting framework and restriction on use

We draw attention to the purpose of our report as indicated in the opinion paragraph, and the basis of accounting. Consequently, the Schedule and our auditor's report may not be suitable for another purpose. Our opinion is not qualified in respect of this matter.

Other matter

The information contained in Schedule IB has been extracted from the Fund's underlying accounting records that were the subject of our audit engagement on the annual financial statements and forms the subject matter of this engagement. Our audit of the annual financial statements of the Anglican Church of Southern Africa Retirement Fund for the year end 31 December 2016 was conducted in accordance with International Standards on Auditing and in our report of 29 June 2018 we expressed an unmodified opinion, and therefore the annual financial statements are prepared, in all material respects, with the Regulatory Reporting Requirements for Retirement Funds in South Africa.

Responsibilities of the Board of Fund for the Schedule

The Board of Fund is responsible for the preparation of the Schedule in accordance and in compliance with the Regulation, and for such internal control as the Board of Fund determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Schedule.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Fund.

We communicate with the Board of Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte & Touche, featuring the company name in a stylized, handwritten-style script.

Deloitte & Touche
Registered Auditors
Per: T Magare
Partner
29 June 2018