



NOVARE[®]
actuaries & consultants

| **Monthly Report** |

**Anglican Church of
Southern Africa Pension
Fund**

February 2021

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REPORT OVERVIEW

ANGLICAN CHURCH OF SOUTHERN AFRICA PENSION FUND

Effective 1 February 2020, the Fund has adopted a structure consisting of 3 main underlying

Portfolios:

- Active members
- Pensioners
- Paid Up/Unclaimed

The Active and Pensioner portfolios are furthermore subdivided between an LDI portfolio and a

Growth portfolio

FUND PERFORMANCE

The performance figures of the Fund represent the performance as calculated by Novare's pricing division and are **net** of manager fees.

MARKET OVERVIEW

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

PERFORMANCE FOR PERIODS LONGER THAN 12 MONTHS

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

OBJECTIVE

The objectives of all the portfolios represent an inflation target of the following:

Actives Overall Portfolio: CPI + 4.25%
Actives Growth Portfolio: CPI + 4.75%
Actives LDI Portfolio: CPI + 3%

Pensioners Overall Portfolio: CPI + 3.25%
Pensioners Growth Portfolio: CPI + 6%
Pensioners LDI Portfolio: CPI + 3%

Paid Up/ Unclaimed Portfolio: CPI + 3%

BENCHMARK

The benchmark performance in this report for the Actives Overall portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	28.5%	Capped SWIX
Domestic Protected Equities	0%	
Domestic Fixed Income	30%	Liability Benchmark
Domestic Property	0%	
Domestic Money Market	1.5%	STeFI
Domestic Alternatives	15.0%	CPI + 4.5%
Africa	0%	
International	25%	MSCI World

The benchmark performance in this report for the Actives Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	40.5%	Capped SWIX
Domestic Protected Equities	0%	
Domestic Fixed Income	0%	
Domestic Property	0%	
Domestic Money Market	2.0%	STeFI
Domestic Alternatives	21.5%	CPI + 4.5%
Africa	0%	
International	36.0%	MSCI World

REPORT OVERVIEW

The benchmark performance in this report for the Actives LDI portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Fixed Income	100%	Liability Benchmark

The benchmark performance in this report for the Unclaimed Benefits/Paid-Ups is as follows:

Asset Class	Allocation	Benchmark
Domestic Money Market	100%	STeFI

The benchmark performance in this report for the Pensioners Overall portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	0%	
Domestic Fixed Income	92%	Liability Benchmark
Domestic Property	0%	
Domestic Money Market	0%	
Domestic Alternatives	0%	
Africa	0%	
International	8.0%	MSCI World

The benchmark performance in this report for the Pensioners Growth portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Equities	0%	
Domestic Fixed Income	0%	
Domestic Property	0%	
Domestic Money Market	0%	
Domestic Alternatives	0%	
Africa	0%	
International	100%	MSCI World

The benchmark performance in this report for the Pensioners LDI portfolio is as follows:

Asset Class	Allocation	Benchmark
Domestic Fixed Income	100%	Liability Benchmark

DISCLAIMER

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

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

Section A

Market Overview



DOMESTIC MARKET VIEW



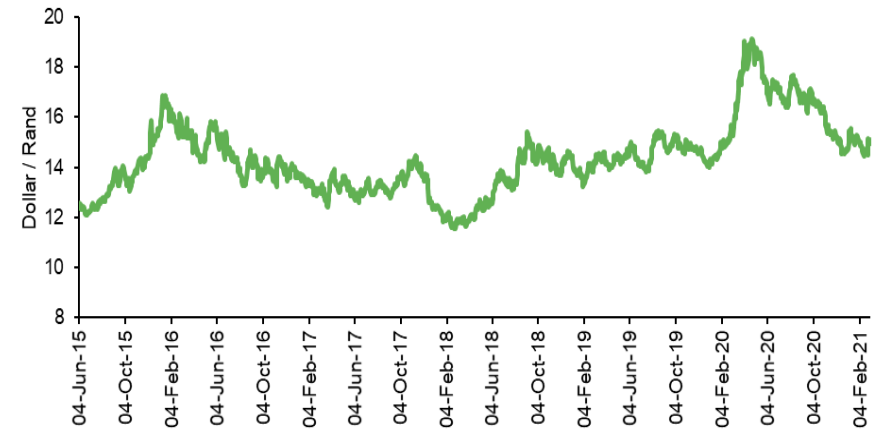
In SA, the dominant market news was the release of the greatly anticipated Budget by National Treasury. The budget showed a clear commitment to fiscal consolidation, utilising the revenue overrun to improve the debt position and not materially increase the expenditure burden.

The South African equity market enjoyed another strong month with the Capped Swix returning 7.2% on the month and the broader based All Share Index up 5.3%. The heavy lifting was done by the resources sector, buoyed by very strong earnings and dividend flow out of the Platinum miners and the diversified mining companies. The resources index was up 9.9% taking it to a 17.7% gain for the year to date. The domestic South Africa index which is used to track shares that are most exposed to the South African economy lagged over the month, returning 3.6%.

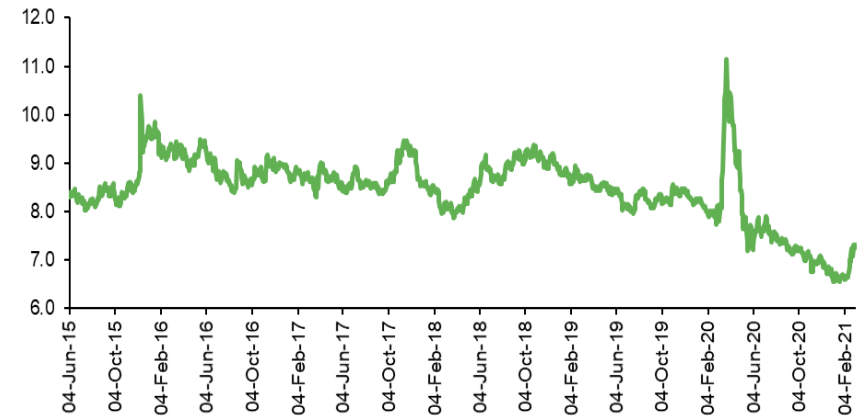
In local economic data, January annual consumer price inflation increased to 3.2% vs December's 3.1% – still at the lower end of the SA Reserve Bank's (SARB's) 3%-6% inflation target. The increase in local fuel prices, food and non-alcoholic beverages were the biggest contributors to the increase. SA's trade surplus narrowed to R11.83bn in January vs a revised R33.06bn in December. The SA Revenue Service said exports fell 13.6% MoM to R109.76bn, while imports advanced 4.2% MoM to R97.93bn.

Despite the positive budget, the global fixed income risk off environment dominated market action and drove domestic yields higher towards month end, primarily in the shorter to medium area of the curve. The ALBI returned a flat 0.06% for the month, with the largest rise in yields seen in the 3-7 year area of the curve. The long end (12yr+)

Rand



S.A. 10-Year Government Benchmark Yield

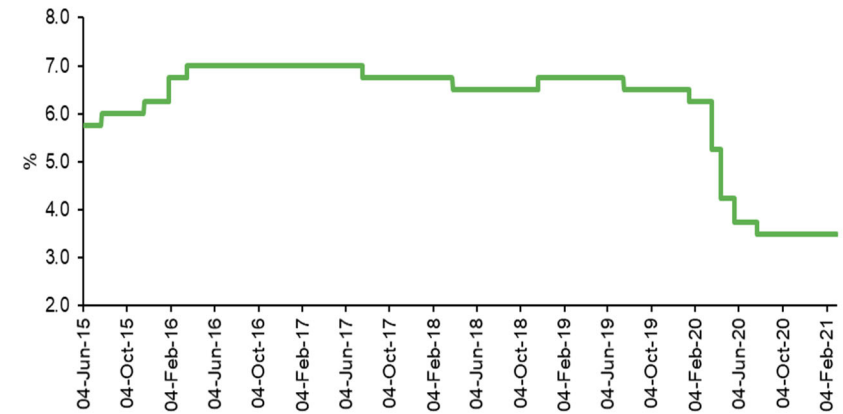


DOMESTIC MARKET VIEW

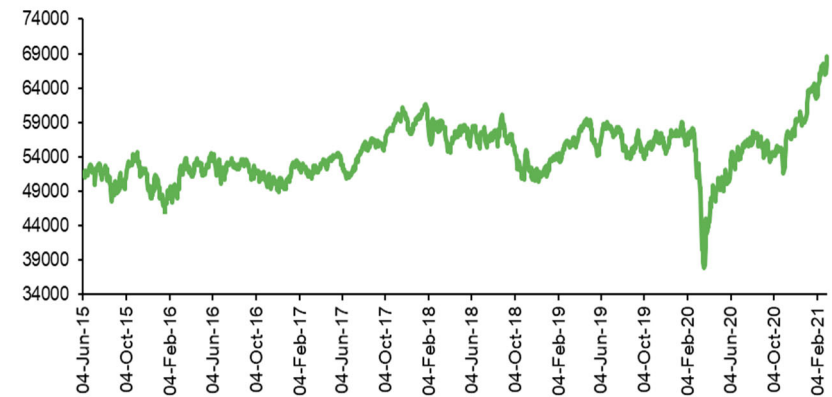
returned a positive 1.6% - reflecting the tug of war between the domestic bond friendly budget dynamics against the backdrop of a destabilising rise in US core yields.

On the COVID front, President Cyril Ramaphosa announced on 28 February that SA will move to lockdown level 1. However, he warned that the danger of a third wave was ever-present as was the threat of new variants.

Repo Rate



FTSE/JSE All Share Index



INTERNATIONAL MARKET VIEW

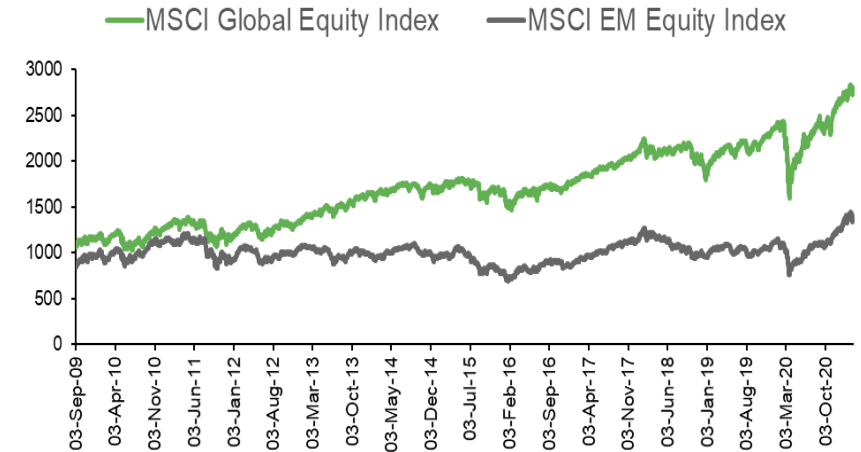
Despite share prices slumping and major global indices recording losses in the last week of February amid bond market volatility, pressure from rising interest rates, inflation concerns and worries that markets are overheating, most major US and global indices still ended February in the green.

The yield on the benchmark US 10-year rose as high as 1.6% before falling back to 1.41%. Major US indices were boosted by a strong start to the US earnings season, positive news on vaccine rollouts as the US Centers for Disease Control and Prevention advisory panel approved the use of Johnson & Johnson's one-shot vaccine, and hints of another US stimulus package on the horizon. The \$1.9trn COVID relief bill was passed by the US House of Representatives and the US Senate will now consider the legislation.

Equity markets were firm for most of February notwithstanding a sell-off in the last couple of days of the month. The S&P500 generated a total return of 1.2% over the course of the month, in line with the MSCI World which also returned 1.2%. Value continued to outperform with the Russell 1000 value index delivering a 4.9% return on the month.

On the US economic data front, the University of Michigan's consumer sentiment index hit a six-month low in February. US 4Q20 GDP data were revised slightly upwards to 4.1% but annual GDP, shrank 3.5% YoY, the US' largest decline since 1946.

In the UK, the FTSE 100 gained 1.2%, despite the index dropping 2.5% on 26 February alone. Major European markets also closed in the green despite last week's losses, with the region's largest economy, Germany's DAX up 2.6%, while France's CAC rose 5.6%.



INTERNATIONAL MARKET VIEW

In China, the Hang Seng gained 2.5%, while Hong Kong's Shanghai Composite Index closed February 0.7% higher. China's official February manufacturing PMI came in at 50.6, a slower pace than January's reading of 51.3 but nevertheless above the 50-point level separating contraction from expansion. In Japan, the Nikkei ended the month 4.7% higher

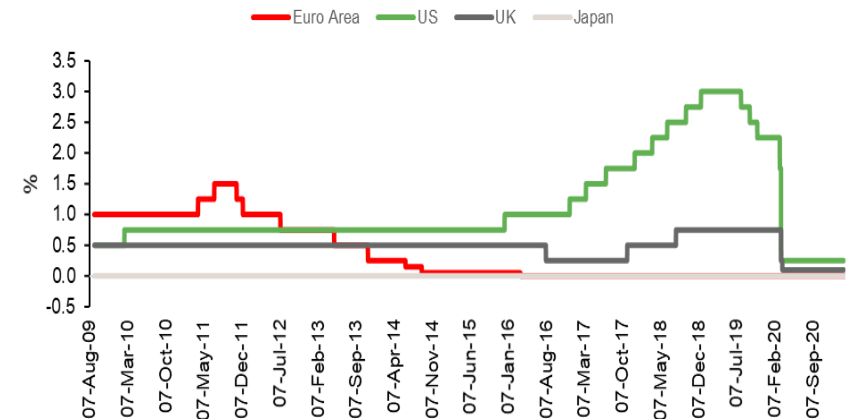
Most of the market action was seen in the commodity space with significant moves in several key commodities. Most notable was the oil price which spiked 17.5% over the course of the month, in part driven by the extreme weather in the USA, which saw large parts of Texas without power and water, impacting global oil supply.

Other notable moves in the commodity space were Copper which gained 16%, and Rhodium which resumed its phenomenal run, up 38% in February.

OIL (BRENT)



G4 Policy Rates



TACTICAL ASSET ALLOCATION

RSA BONDS

The dominant market news during the month was the release of the greatly anticipated Budget by National Treasury. The budget showed a clear commitment to fiscal consolidation, utilising the revenue overrun to improve the debt position and not materially increase the expenditure burden.

January annual consumer price inflation increased to 3.2% vs December's 3.1% – still at the lower end of the SA Reserve Bank's (SARB's) 3%-6% inflation target. The increase in local fuel prices, food and non-alcoholic beverages were the biggest contributors to the increase. SA's trade surplus narrowed to R11.83bn in January vs a revised R33.06bn in December. The SA Revenue Service said exports fell 13.6% MoM to R109.76bn, while imports advanced 4.2% MoM to R97.93bn. Despite the positive budget, the global fixed income risk off environment dominated market action and drove domestic yields higher towards month end, primarily in the shorter to medium area of the curve. The ALBI returned a flat 0.06% for the month, with the largest rise in yields seen in the 3-7 year area of the curve. The long end (12yr+) returned a positive 1.6% - reflecting the tug of war between the domestic bond friendly budget dynamics against the backdrop of a destabilising rise in US core yields.

Foreign residents once again became net sellers of local paper, reversing course since the beginning of the year. We maintain a cautious view of the asset class despite the recent bullishness as we still see a possible further deterioration of the local economy due to negative second-round COVID effects that has started to increase rapidly.

RSA PROPERTY, ALTERNATIVES AND CASH

The property sector once again had a stellar month, outperforming the broader market as continued pressure industry wide continued to weight. We view the recent bullishness to have been more concerned with the general positive sentiment than a change in idiosyncratic factors or an increase in local sentiment. Depressed market conditions and the most recent company results indicate the severe impact that the Covid pandemic had on the sector. Although there have been large decreases in

distributions, we believe the speed of the economic recovery will determine performance into year-end. The weak macro-economic backdrop continues to negatively affect all sectors of the property market. Even though we have seen slight improvements in retail sales we believe the sector will remain under severe pressure, leading to weak trading densities and lower occupancy levels. We maintained an underweight position in this asset class.

The nominal bond curve flattened in February, with the R2023 and R186 having rallied almost 60bp and the R2030 8bp. From the R2035 onwards, the curve rallied around 7bp. Stability in the long end of the curve indicates that the rise in front-end yields was not due to increased risk of default but that the market-friendly national Budget has effectively anchored the long end. The front-end sell-off is in response to the rise in local swap rates on the back of global reflationary expectations; the 5-yr, 10-yr and 30-yr USTs sold off 31bp, 34bp and 28bp, respectively, over the month. Globally, we await a response from the Fed as to whether it intends to engage in yield-curve control measures. Credit spreads have contracted but the landscape remains very uncertain as the potential second round effects of Covid hit have SA Inc. The rand continued to remain strong but has now run into strong support around the R14 level to the USD.

We believe that we have potentially reached the end of the rate cutting cycle and expect rates to stay on hold over the medium term. The possibility of another rate cut can however not be totally disregarded as the split between MPC members for a rate cut versus a hold remains very close.

Cash remains the balancing item.

RSA EQUITIES

The South African equity market enjoyed another strong month with the Capped Swix returning 7.2% on the month and the broader based All Share Index up 5.3%. The heavy lifting was done by the resources sector, buoyed by very strong earnings and dividend flow out of the Platinum miners and the diversified mining companies. The resources index was up 9.9% taking it to a 17.7% gain for the year to date.

The domestic South Africa index which is used to track shares that are most exposed to the South African economy lagged over the month, returning 3.6%.

Traditional valuation metrics indicate that local equities are slightly cheap, given the latest economic data, but are not at bargain basement valuations by any stretch of the imagination. We continued to maintain an underweight position in local stocks within an emerging market equity portfolio.

INTERNATIONAL

Despite share prices slumping and major global indices recording losses in the last week of February amid bond market volatility, pressure from rising interest rates, inflation concerns and worries that markets are overheating, most major US and global indices still ended February in the green. The yield on the benchmark US 10-year rose as high as 1.6% before falling back to 1.41%. Major US indices were boosted by a strong start to the US earnings season, positive news on vaccine rollouts as the US Centers for Disease Control and Prevention advisory panel approved the use of Johnson & Johnson's one-shot vaccine, and hints of another US stimulus package on the horizon. The \$1.9trn COVID relief bill was passed by the US House of Representatives and the US Senate will now consider the legislation.

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NOVARE HOUSE VIEW: February 2021 TACTICAL POSITIONING*

	UNDER-WEIGHT	← ON-WEIGHT	→ OVER-WEIGHT	PREVIOUS
DOMESTIC	Under-weight			
Equities	85%			95%
Bonds	95%			95%
Property	85%			95%
Alternatives		100%		100%
Cash		Balancing		100%
OFFSHORE			120%	120%
Equities	80%			100%
Bonds	70%			70%
Alternatives		100%		125%
AFRICA		100%		

* positioning is as a % of strategic asset allocation

Summary:

Novare remains underweight domestic equities, domestic bonds and domestic property; whilst maintaining an overweight to International assets. Due to the limit of 30% to international assets, the balance of any domestic assets will be invested in cash.

++
+
Neutral
-
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TACTICAL ASSET ALLOCATION

Global Assets (US\$)	1 month	3 months	YTD	12 months	3 Years	5 Years
MSCI All Countries Equity	2.3%	6.7%	1.9%	30.9%	10.9%	14.8%
MSCI Emerging Markets	0.8%	11.6%	3.9%	36.5%	6.7%	15.7%
Global Bonds (R)	-2.0%	-3.5%	0.3%	0.8%	12.8%	2.2%

Commodity Prices	1 month	3 months	YTD	12 months	3 Years	5 Years
Brent Oil (USD/Barrel)	17.0%	34.5%	24.4%	29.7%	-0.1%	12.0%
Platinum (USD/oz)	12.6%	27.1%	14.0%	38.3%	7.6%	5.5%
Gold (USD/oz)	-4.2%	-0.3%	-6.5%	8.2%	10.3%	7.4%

Asset Allocation (Rand)	1 month	3 months	YTD	12 months	3 Year	5 Years
Domestic Equities	5.9%	16.1%	11.4%	33.2%	7.6%	9.2%
Domestic Bonds	0.1%	3.3%	0.8%	8.3%	7.1%	9.8%
Domestic Cash	0.3%	0.9%	0.6%	4.8%	6.4%	6.9%
Domestic Property	8.6%	19.5%	5.1%	-15.8%	-13.5%	-7.6%
International Equity	2.3%	3.6%	4.6%	25.6%	21.0%	12.8%
International Bonds	-2.0%	-3.5%	0.3%	0.8%	12.8%	2.2%
Exchange rate (R / \$)	-0.2%	-2.2%	3.0%	-3.4%	8.6%	-0.9%

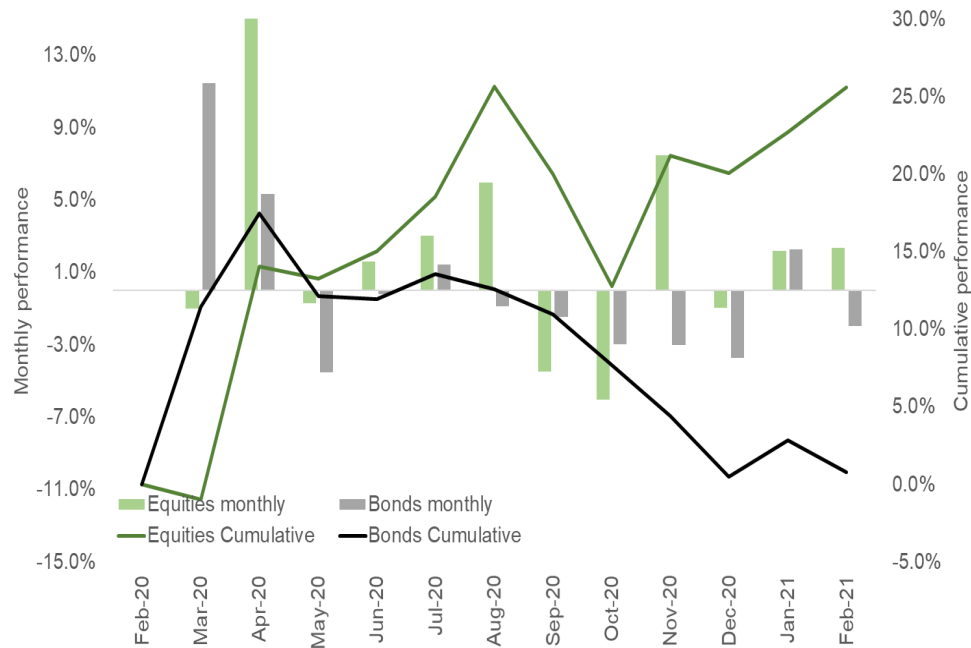
Scale:

Best performing asset class

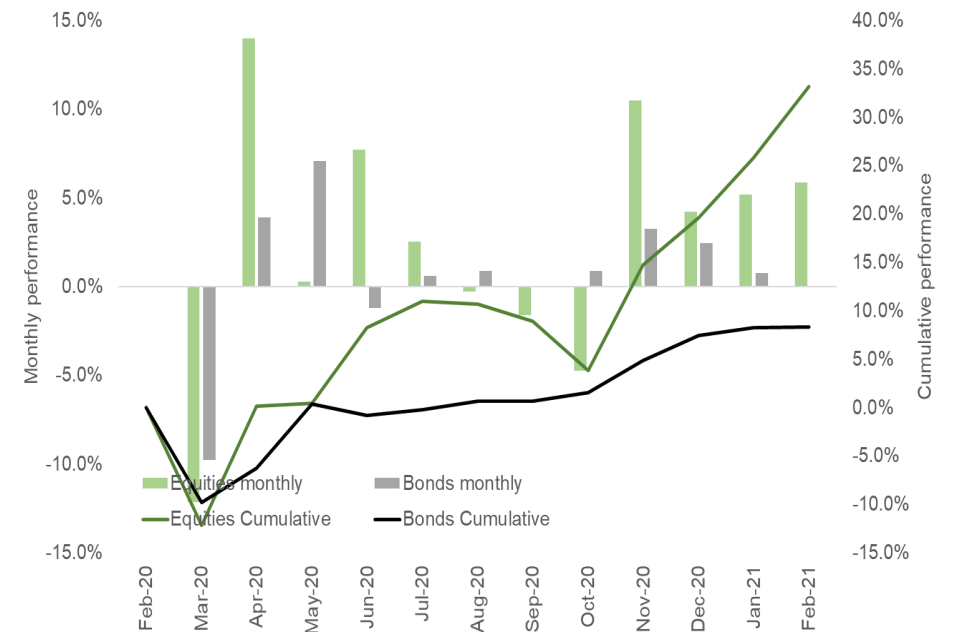
Worst performing asset class



International Markets over the last 12 months



Domestic Markets (R) over the last 12 months



MARKET PERFORMANCE

Section B

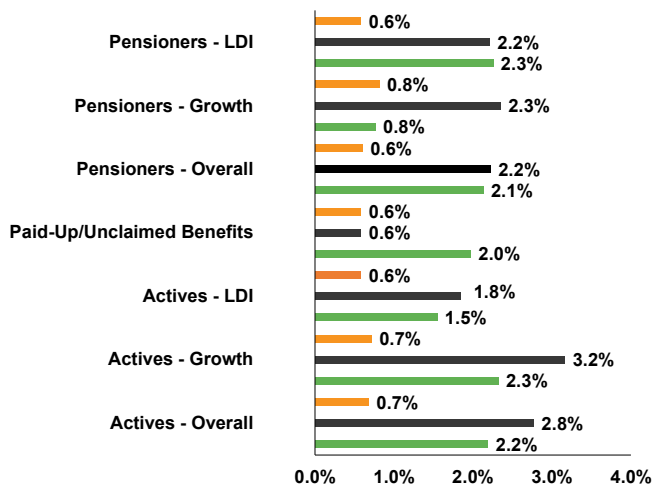
Fund Overview



EXECUTIVE SUMMARY

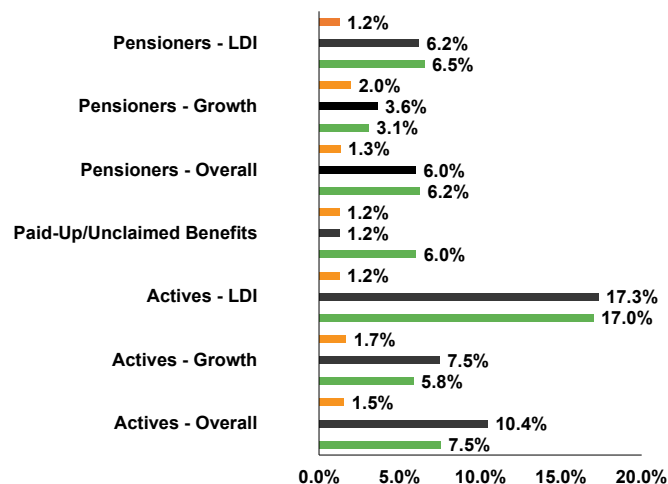


Monthly Return for February 2021



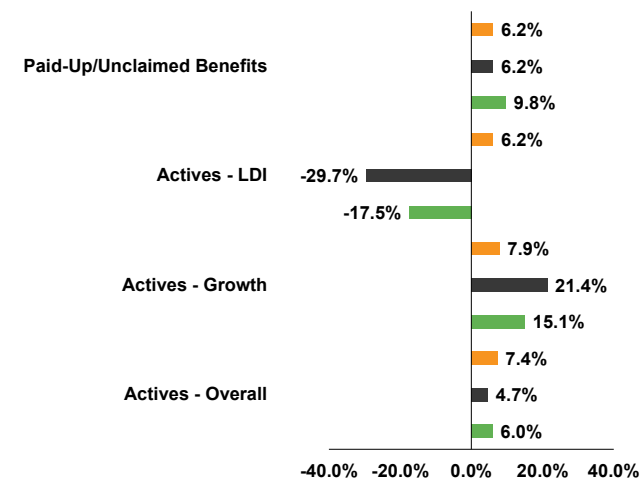
Investment objective | Benchmark | Portfolio

3 Months Return up to February 2021



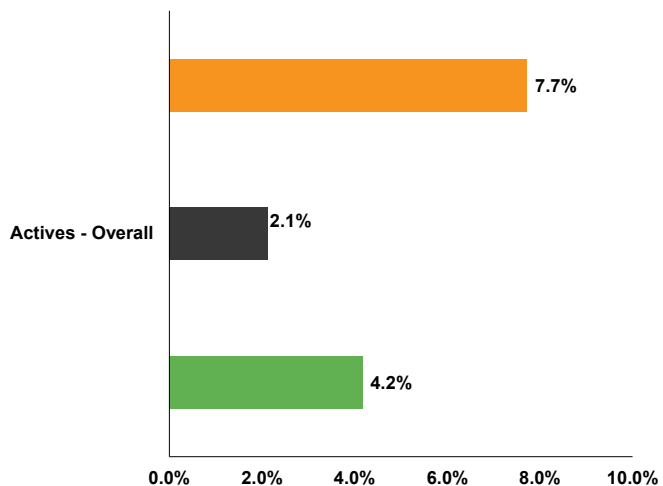
Investment objective | Benchmark | Portfolio

1 Year Return up to February 2021



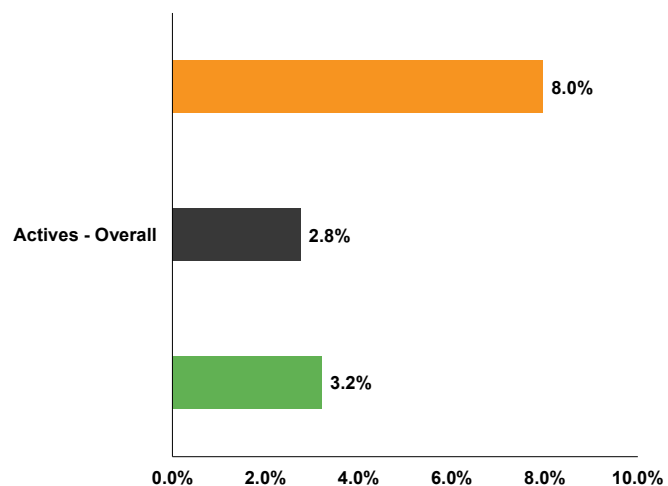
Investment objective | Benchmark | Portfolio

3 Year Return up to February 2021



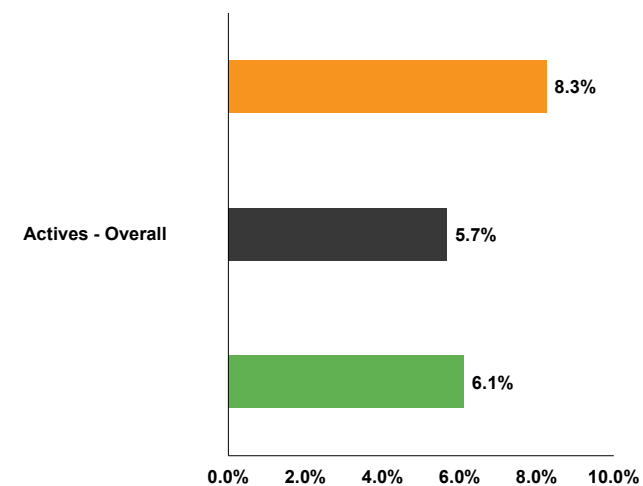
Investment objective | Benchmark | Portfolio

5 Year Return up to February 2021



Investment objective | Benchmark | Portfolio

8 Year Return up to February 2021

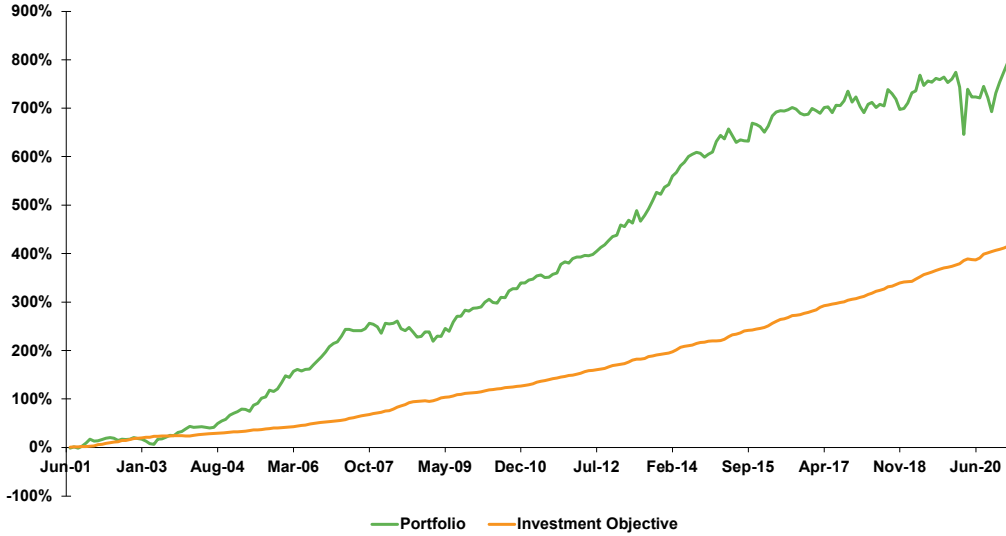


Investment objective | Benchmark | Portfolio

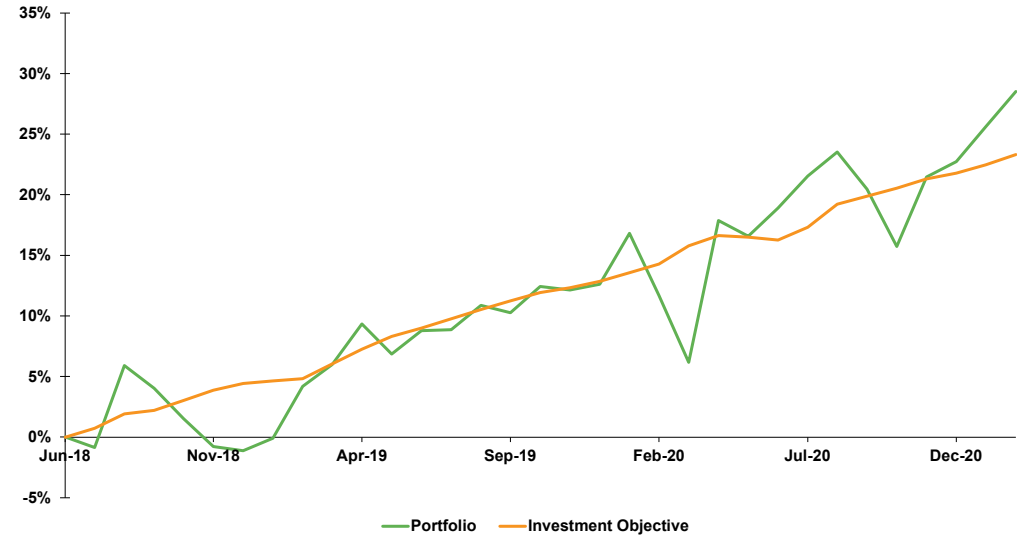
LONG TERM RETURNS

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

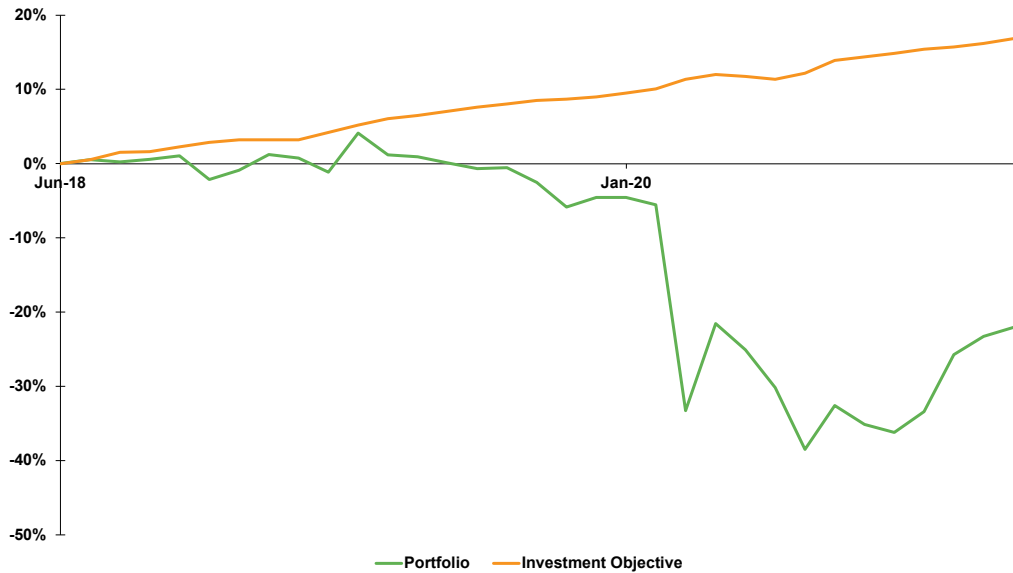
Actives Overall Portfolio - Cumulative return since 30 June 2001



Actives Growth Portfolio - Cumulative return since 30 June 2018



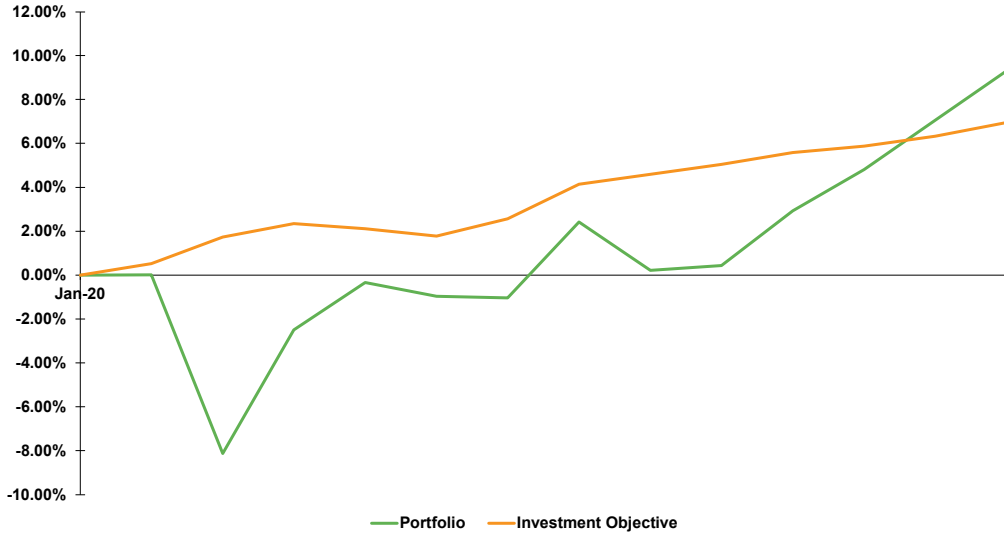
Actives LDI - Cumulative return since 30 June 2018



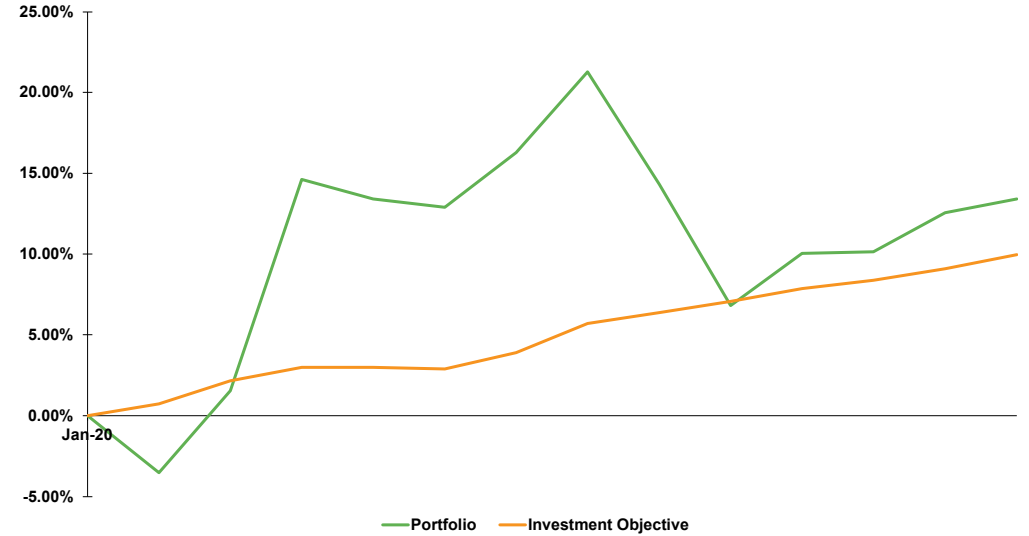
LONG TERM RETURNS

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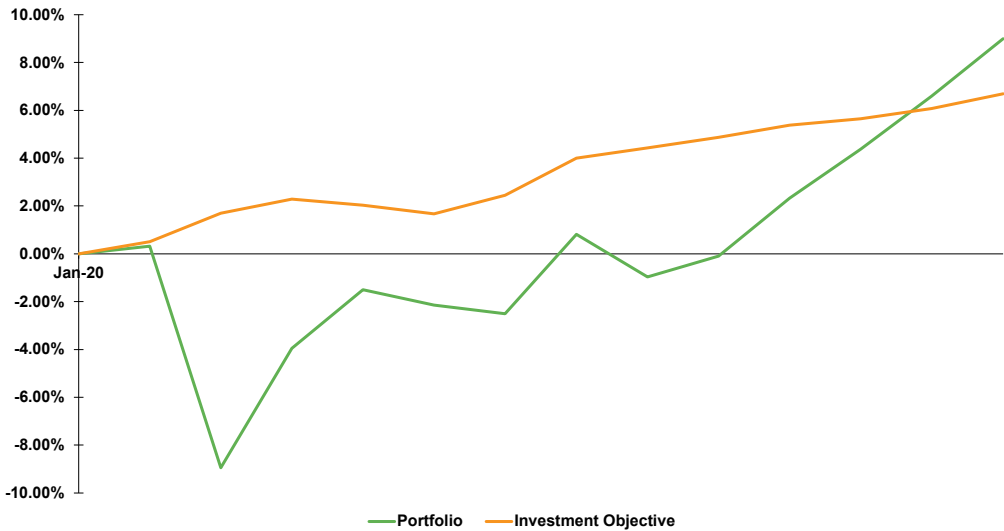
Pensioners Overall - Cumulative return since 31 January 2020



Pensioners Growth - Cumulative return since 31 January 2020



Pensioners LDI - Cumulative return since 31 January 2020



Paid-Up/Unclaimed Benefits - Cumulative return since 30 July 2019



PORTFOLIO MARKET VALUES AND RETURNS

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

	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	Since 1 June 2018	3 years (% p.a.)	5 years (% p.a.)	8 years (% p.a.)	Since Inception
Actives Overall	584 589 096		2.2%	7.5%	6.0%	4.1%	4.2%	3.2%	6.1%	11.8%
Strategic Benchmark			2.8%	10.4%	4.7%	1.7%	2.1%	2.8%	5.7%	10.2%
			-0.6%	-2.9%	1.3%	2.3%	2.0%	0.5%	0.4%	1.6%
Actives Growth	486 443 992		2.3%	5.8%	15.1%	-	-	-	-	9.9%
Strategic Benchmark			3.2%	7.5%	21.4%	-	-	-	-	9.2%
			-0.8%	-1.6%	-6.3%	-	-	-	-	0.7%
Actives LDI	98 145 104		1.5%	17.0%	-17.5%	-	-	-	-	-8.9%
Strategic Benchmark			1.8%	17.3%	-29.7%	-	-	-	-	-15.0%
			-0.3%	-0.3%	12.2%	-	-	-	-	6.1%
Paid-Up/Unclaimed Benefits	61 314 848		2.0%	6.0%	9.8%	-	-	-	-	7.4%
Strategic Benchmark			0.6%	1.2%	6.2%	-	-	-	-	6.0%
			1.4%	4.8%	3.6%	-	-	-	-	1.5%
Pensioners Overall	540 551 157		2.1%	6.2%	9.3%	-	-	-	-	8.6%
Strategic Benchmark			2.2%	6.0%	8.6%	-	-	-	-	7.8%
			-0.1%	0.3%	0.7%	-	-	-	-	0.7%
Pensioners Growth	44 983 128		0.8%	3.1%	17.6%	-	-	-	-	12.3%
Strategic Benchmark			2.3%	3.6%	25.6%	-	-	-	-	18.3%
			-1.6%	-0.5%	-8.0%	-	-	-	-	-6.0%
Pensioners LDI	495 568 029		2.3%	6.5%	8.6%	-	-	-	-	8.3%
Strategic Benchmark			2.2%	6.2%	7.1%	-	-	-	-	6.8%
			0.0%	0.3%	1.6%	-	-	-	-	1.4%
Actives Overall Objective			2.2%	7.5%	6.0%	4.1%	4.2%	3.2%	6.1%	11.8%
			0.7%	1.5%	7.4%	7.5%	7.7%	8.0%	8.3%	8.7%
			1.5%	6.0%	-1.4%	-3.4%	-3.6%	-4.8%	-2.1%	3.1%
Actives Growth Objective			2.3%	5.8%	15.1%	-	-	-	-	9.9%
			0.7%	1.7%	7.9%	-	-	-	-	8.2%
			1.6%	4.2%	7.2%	-	-	-	-	1.7%
Actives LDI Objective			1.5%	17.0%	-17.5%	-	-	-	-	-8.9%
			0.6%	1.2%	6.2%	-	-	-	-	6.0%
			1.0%	15.8%	-23.6%	-	-	-	-	-14.9%
Paid-Up/Unclaimed Benefits Objective			2.0%	6.0%	9.8%	-	-	-	-	7.4%
			0.6%	1.2%	6.2%	-	-	-	-	6.0%
			1.4%	4.8%	3.6%	-	-	-	-	1.5%
Pensioners Overall Objective			2.1%	6.2%	9.3%	-	-	-	-	8.6%
			0.6%	1.3%	6.4%	-	-	-	-	6.4%
			1.5%	4.9%	2.9%	-	-	-	-	2.2%
Pensioners Growth Objective			0.8%	3.1%	17.6%	-	-	-	-	12.3%
			0.8%	2.0%	9.2%	-	-	-	-	9.2%
			0.0%	1.1%	8.4%	-	-	-	-	3.1%
Pensioners LDI Objective			2.3%	6.5%	8.6%	-	-	-	-	8.3%
			0.6%	1.2%	6.2%	-	-	-	-	6.2%
			1.7%	5.3%	2.5%	-	-	-	-	2.1%
Total	1 186 455 101									

MANAGER PERFORMANCE

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

Asset Class	Manager	Inception Date	Market value (R)	Weight (%)	1 month (%)	3 months (%)	12 months (%)	Since 1 June 2018	3 years (% p.a.)	5 years (% p.a.)	Since Inception	
Equity	Aeon JSE Capped Share Weighted Index	2018/10/31	121 399 606	10.2%	5.0%	14.6%	29.9%	-	-	-	8.0%	
					5.3%	14.5%	23.9%	-	-	7.2%		
						-0.3%	0.1%	6.0%	-	-	0.8%	
	Sanlam Satrx Equity JSE Capped Share Weighted Index	2018/08/31	69 831 225	5.9%	5.3%	14.5%	23.7%	-	-	-	2.8%	
5.3%					14.5%	23.9%	-	-	2.9%			
					0.0%	0.0%	-0.2%	-	-	-	-0.1%	
Fixed Income	Colourfield Liability Benchmark	2016/05/31	593 713 134	50.0%	2.1%	8.1%	1.5%	-2.5%	-1.8%	-	-2.0%	
					2.1%	7.9%	-2.9%	-4.6%	-3.9%	-	-3.7%	
					0.0%	0.2%	4.4%	2.2%	2.1%	-	1.6%	
Property	Futuregrowth Community Property Fund CPI + 4%	2007/04/30	34 914 262	2.9%	1.1%	2.6%	7.2%	9.6%	9.5%	13.7%	12.6%	
					0.7%	1.5%	7.2%	7.5%	7.9%	8.5%	9.6%	
					0.4%	1.1%	0.0%	2.1%	1.6%	5.2%	3.0%	
Money Market	Liberty STEFI Composite	2002/01/31	16 718 174	1.4%	0.2%	0.9%	4.6%	6.4%	6.6%	7.2%	5.7%	
					0.3%	0.9%	4.8%	6.4%	6.4%	6.9%	7.7%	
						0.0%	-0.1%	-0.2%	0.1%	0.2%	0.4%	-2.0%
	Prescient Yield Quants Plus STEFI	2020/01/31	5 080 357	0.4%	0.3%	1.1%	5.6%	-	-	-	5.6%	
0.3%					0.9%	4.8%	-	-	-	5.0%		
					0.0%	0.2%	0.8%	-	-	-	0.7%	
Alternatives	Sanlam Property ALBI 7 - 12 Years	2018/07/31	65 176 435	5.5%	0.1%	-4.8%	-10.8%	-	-	-	3.6%	
					-0.5%	2.7%	9.5%	-	-	-	9.5%	
					0.6%	-7.5%	-20.3%	-	-	-	-5.8%	
International	Ninety One Global Franchise MSCI World	2018/07/31	218 307 061	18.4%	0.8%	3.1%	17.6%	-	-	-	19.3%	
					2.3%	3.6%	25.6%	-	-	-	17.9%	
					-1.6%	-0.6%	-8.0%	-	-	-	1.4%	
Multi Asset Class	Allan Gray Stable CPI + 3%	2019/07/31	61 314 848	5.2%	2.0%	6.0%	9.8%	-	-	-	7.4%	
					0.6%	1.2%	6.2%	-	-	-	6.0%	
					1.4%	4.8%	3.6%	-	-	-	1.5%	
			1 186 455 101	100%								

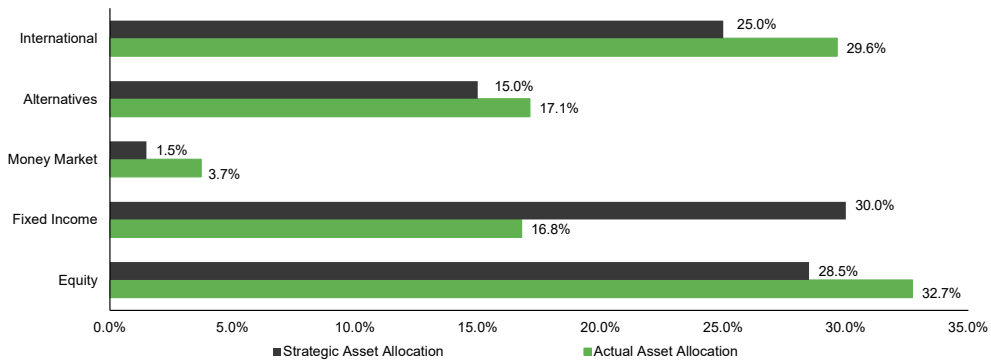
ASSET ALLOCATION



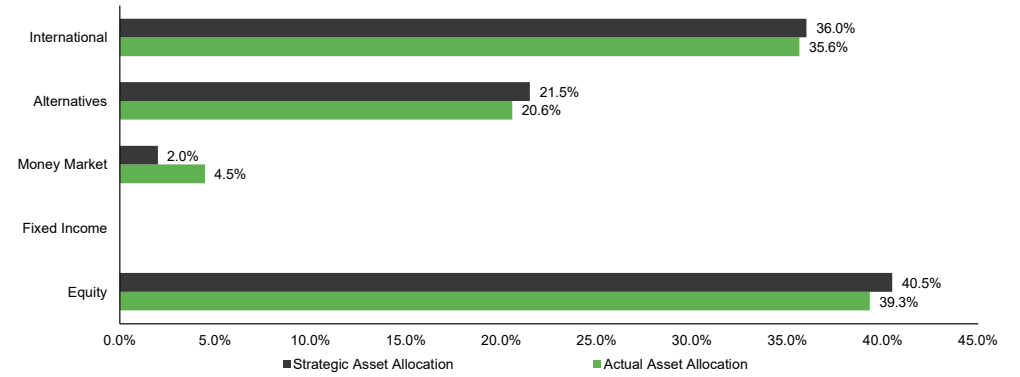
Asset Class	Manager	Actives Growth	Actives LDI	Actives Overall	Paid-Up/Unclaimed Benefits	Pensioners Growth	Pensioners LDI	Pensioners Overall	Total Fund
Equity	Aeon	121 399 606		121 399 606					121 399 606
	Sanlamatrix Equity	69 831 225		69 831 225					69 831 225
Fixed Income	Colourfield		98 145 104	98 145 104			495 568 029	495 568 029	593 713 134
Property	Futuregrowth Community Property Fund	34 914 262		34 914 262					34 914 262
Money Market	Liberty	16 718 174		16 718 174					16 718 174
	Prescient Yield Quants Plus	5 080 357		5 080 357					5 080 357
Alternatives	Sanlam Unlisted Property Fund	65 176 435		65 176 435					65 176 435
International	Ninety One Global Franchise	173 323 933		173 323 933		44 983 128		44 983 128	218 307 061
Multi Asset Class	Allan Gray Stable				61 314 848				61 314 848
Total Fund		486 443 992	98 145 104	584 589 096	61 314 848	44 983 128	495 568 029	540 551 157	1 186 455 101

ASSET ALLOCATION

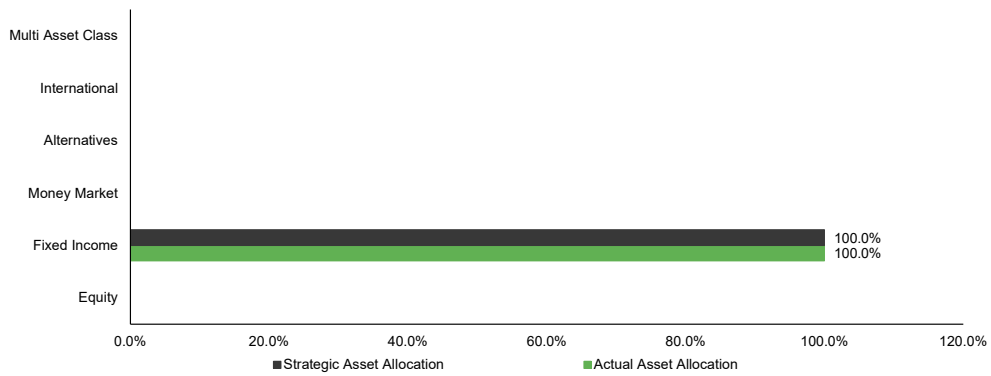
Actives Overall



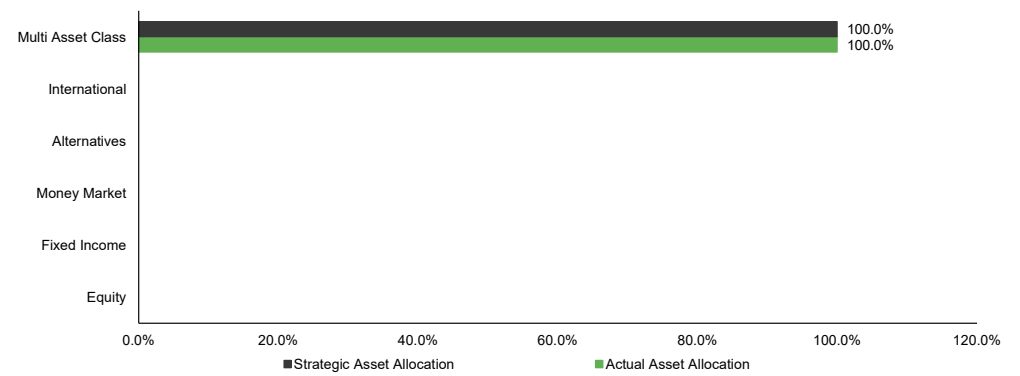
Actives Growth



Actives LDI

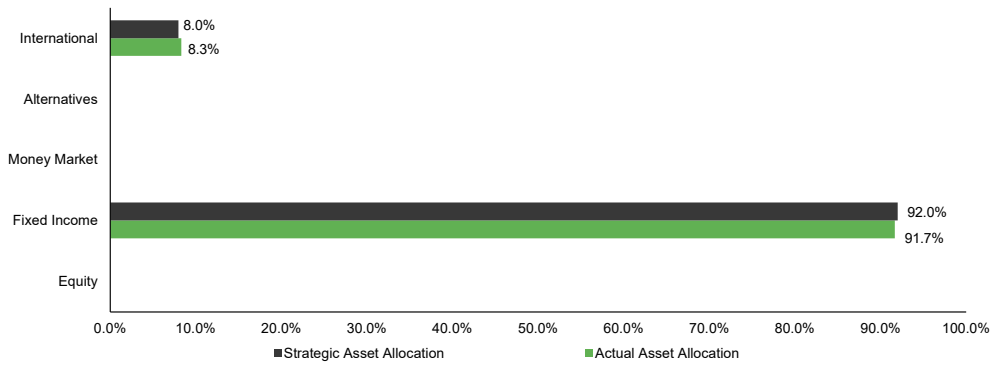


Paid-Up/Unclaimed Benefits

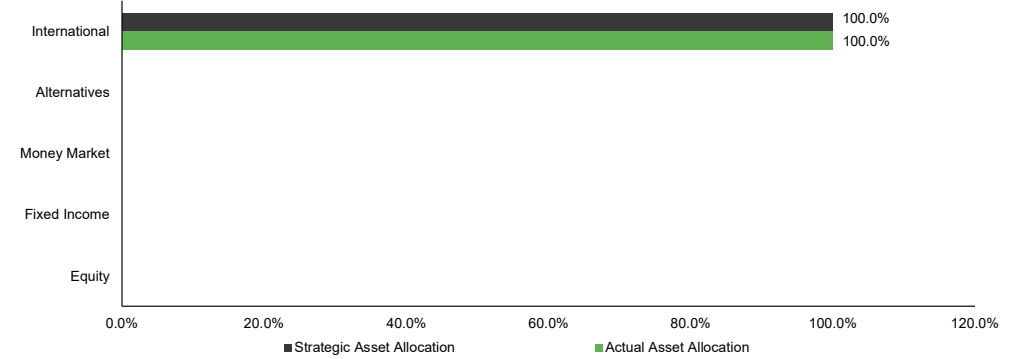


ASSET ALLOCATION

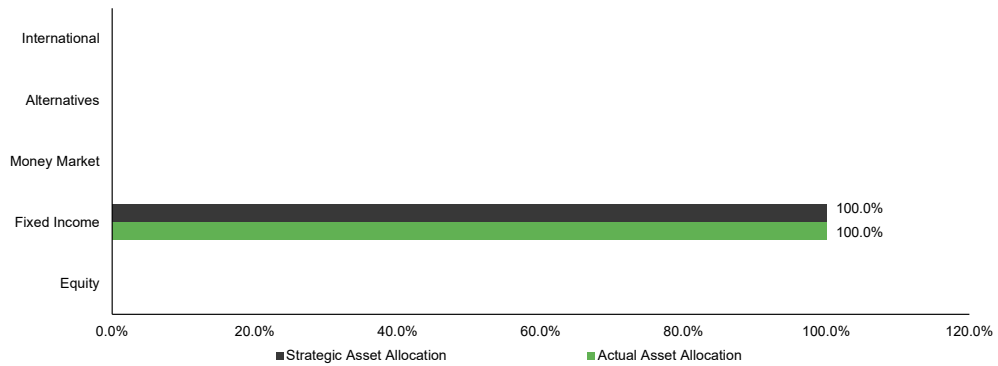
Pensioners Overall



Pensioners Growth



Pensioners LDI



Section C

Glossary



INVESTMENT GLOSSARY

ALTERNATIVE INVESTMENTS

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

ANNUALISED RETURN

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

ASSET CLASS

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

BENCHMARK

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

BENCHMARK PERFORMANCE

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

BOND

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

CPI

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

CREDIT RATING

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

CRISA

Code of Responsible Investing in South Africa.

CUMULATIVE RETURN

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

DERIVATIVES

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

EQUITY

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

FUND OBJECTIVE

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

INVESTMENT GLOSSARY

HEDGE FUND

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

INDEX

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

INFLATION

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

INTERNATIONAL

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

INVESTMENT OBJECTIVE

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

INVESTMENT POLICY STATEMENT (IPS)

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

MONTHLY RETURN

The performance return over a month.

MANDATE

An investment manager's portfolio and objective.

OVERWEIGHT

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

PERFORMANCE

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

PRIVATE EQUITY

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

PROPERTY

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

PROTECTED EQUITY

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

INVESTMENT GLOSSARY

REGULATION 28

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

REPO RATE

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

SHARPE RATIO

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

STRATEGIC ASSET ALLOCATION

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

TACTICAL ASSET ALLOCATION

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

TRACKING ERROR

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

TRADITIONAL ASSET CLASS

This generally refers to equities, bonds, cash and property

UNDERWEIGHT

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

VOLATILITY

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

YEAR-TO-DATE ("YTD")

The performance return since the beginning of the latest calendar year

CONTACT US

Novare Actuaries and Consultants (Pty) Ltd

Registration No: 2001/008015/07

Third Floor, The Cliffs Office Block I

Niagara Way, Tyger Falls

Carl Cronje Drive, Bellville, 7530

South Africa

P O Box 4742, Tyger Valley, 7536

